# Notice of Meeting of the City Council of the City of Georgetown, Texas June 9, 2026

The Georgetown City Council will meet on June 9, 2026 at 2:00 PM at Council and Court Building, 510 W. 9th Street.

The City of Georgetown is committed to compliance with the Americans with Disabilities Act (ADA). If you require assistance in participating at a public meeting due to a disability, as defined under the ADA, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the City Secretary's Office, at least three (3) days prior to the scheduled meeting date, at (512) 930-3652 or City Hall at 808 Martin Luther King Jr. Street, Georgetown, TX 78626 for additional information; TTY users route through Relay Texas at 711.

## Policy Development and Discussion - Workshop

1.A Employee Recognition - Years of Service - May 2026
Presentation and recognition of the Years of Service and the value which the City of Georgetown Employees add to the organization, presented to those who have served at intervals of five years from the anniversary month in which they started -- David Morgan, City Manager, and City Council

1.B Update to City Council on the Design Progress of the Customer Service Center
Presentation and discussion regarding an update on the Design Progress of the Georgetown Customer Service Center -- Jennifer Bettiol, CIP Manager Public Works

1.C 2026 Summer Peak Demand and Conservation Outlook
Presentation and discussion regarding summer peak demand and conservation -- Chelsea Solomon, PE, Water Utility Director

1.D FY27 Solid Waste Cost of Service Study
Presentation and discussion regarding the FY27 Solid Waste Cost of Service Study -- April Haughey, Public Works Assistant Director

1.E 2nd Quarterly Financial Report
Presentation and discussion regarding the City's 2nd Quarterly Financial Report, which includes the Investment Reports for the City of Georgetown, Georgetown Transportation Enhancement Corporations (GTEC), and the Georgetown Economic Development Corporation (GEDCO) for the quarter ended March 31, 2026 -- Randi Cormack, Budget Manager

## Executive Session

In compliance with the Open Meetings Act, Chapter 551, Texas Government Code, Vernon's Codes, Annotated, the items listed below will be discussed in closed session and are subject to action in the regular session.

2.A Executive Session 06.09.2026

**Sec. 551.071: Consultation with Attorney**

Advice from the attorney about pending or contemplated litigation and other matters on which the attorney has a duty to advise the City Council, including agenda items.

- Litigation Update
- Austin Avenue Bridges

**Sec.551.072: Deliberations about Real Property**

- 8th and Forrest
- Deliberation regarding acquisition of two properties commonly identified as 903 Riverhaven Drive, Georgetown, TX 78626

**Sec. 551.087: Deliberation Regarding Economic Development Negotiations**

- Project Blue Skies
- Project Vista Prism

**Regular Session - This portion of the meeting will begin no earlier than 6:00 pm.**

3.A Call to Order 06.09.2026

Pledge of Allegiance

Recognitions

- Public Works Proclamation

Actions out of Executive Session

## Public Wishing to Address Council

On a subject that is posted on this agenda: Please fill out a speaker registration form which can be found on the table at the entrance to the Council Chamber. Clearly print your name and the letter of the item on which you wish to speak and present it to the City Secretary on the dais, prior to the start of the meeting. You will be called forward to speak when the Council considers that item. Only persons who have delivered the speaker form prior to the meeting being called to order may speak. Speakers will be allowed up to three minutes to speak. If you wish to speak for six minutes, it is permissible to use another requestor's granted time to speak. No more than six minutes for a speaker may be granted. The requestor granting time to another speaker must also submit a form and be present at the meeting.

On a subject not posted on the agenda: An individual may address the Council at a regular City Council meeting by contacting the City Secretary no later than noon on the Wednesday prior to the Tuesday meeting, with the individual's name and a brief description of the subject to be addressed. Only those persons who have submitted a timely request will be allowed to speak. Speakers will be given up to three minutes to address the City Council. The City Secretary can be reached at (512) 931-7715 or cs@georgetown.org.

4.A Public Wishing to Address 06.09.2026

- At the time of posting no one had signed up to speak.

### Statutory Consent Agenda

The Statutory Consent Agenda includes non-controversial and routine items which may be

acted upon with one single vote. An item may be pulled from the Consent Agenda in order to be discussed and acted upon individually as part of the Regular Agenda.

5.A City Council Meeting Minutes 05.26.2026
Consideration and possible action to approve the meeting minutes of the City Council meeting held on May 26, 2026 -- Robyn Densmore, City Secretary

5.B Resolution - ETJ Disannexation - Keystone GT LLC - 34.7 Acres
Consideration and possible action to approve a Resolution to confirm the disannexation of approximately 34.7 acres of land from the City of Georgetown's Extraterritorial Jurisdiction (ETJ), identified as Williamson County Appraisal District Parcels R039042 and R097936 and owned by Keystone GT LLC -- Michael Charles, Real Estate Services Coordinator

5.C Resolution - Replacement Third Amendment to the Second Amended and Restated Consent Agreement for Parkside on the River
Consideration and possible action to approve a Resolution of the City Council of Georgetown, Texas approving the Replacement Third Amendment to the Second Amended and Restated Consent Agreement to make a 40.2 acre tract of land subject to the Consent Agreement and consent for Parkside on the River Municipal Utility District No. 1 to annex the tract of land -- Nick Woolery, Assistant City Manager

5.D Resolution - Nomination of Hunt Electric Corporation dba Baer Manufacturing for the Texas Enterprise Zone Program
Consideration and possible action to approve a Resolution nominating Hunt Electric Corporation dba Baer Manufacturing for the Texas Enterprise Zone Program -- Cameron Goodman, Economic Development Director

5.E Resolution - Amendment to Airport Leasing Policy to add Condo Regime Leaseholds
Consideration and possible action to approve an Amendment to the Airport Leasing Policy adding considerations for approving condominium leaseholds for new development -- Eric Johnson, Public Works Director, and Matthew Sommerfeld, Airport Manager

5.F Airport Site 2 ground lease with GTU Property Developers
Consideration and possible action to approve a 30-year ground lease with an optional ten year extension between the City of Georgetown and GTU Property Developer, LLC for site 2 at the Georgetown Executive Airport at Johnny Gantt Field to construct and operate hangar buildings and other site improvements -- Eric Johnson, Public Works Director, and Matthew Sommerfeld, Airport Manager

5.G Texas Commission on the Arts Grant Application
Consideration and possible action to approve a grant application to the Texas Commission on the Arts for a Cultural District Project Grant to provide partial funding for public art in the third phase of the Light and Water Works District and designate authority to Amanda Still to submit the grant application -- Kim Mcauliffe, Director of Downtown and Tourism Director, and Amanda Still, Arts and Culture Program Manager

5.H 2nd Quarter Financial Report

Consideration and possible action to accept the City's Quarterly Financial Report, which includes the Investment Reports for the City of Georgetown, Georgetown Transportation Enhancement Corporations (GTEC), and the Georgetown Economic Development Corporation (GEDCO) for the quarter ended March 31, 2026 -- Randi Cormack, Budget Manager

5.I Water Reuse Assessment Report

**Forwarded from the Georgetown Water Utility Advisory Board (GWUAB):**
Consideration and possible action to approve the adoption of the Water Reuse Assessment Report -- Chelsea Solomon, Director of Water Utilities

5.J Pedro S.S. Services, Inc Agreement Amendment

Consideration and possible action to approve Amendment No. 1 to Services Agreement 24-0023-SC with Pedro S.S. Services, Inc for Electric Underground Construction and Maintenance services, in an amount not to exceed $1,875,000.00 for a revised total contract value of $9,375,000.00 -- Richard Pajestka, Electric Operations and Engineering Manager

5.K Purchase of Power-PRO and Power-LOAD from Stryker Howmedica

Consideration and possible action to approve the purchase four (4) Stryker/Howmedica Power-Load and Power-Pro Systems at a cost not to exceed $291,980.34 -- John Sullivan, Fire Chief

5.L Service Agreement - Siddons-Martin Emergency Group for OEM parts and service on Fire Apparatus

Consideration and possible action to approve an annual agreement with Siddons-Martin Emergency Group in an annual amount not to exceed $150,000.00, and to authorize the City Manager to execute renewals of the agreement for two additional one-year terms under the same terms and conditions for a total three-year contract not to exceed $450,000.00 -- Scott Parker, Fleet Services Manager

5.M Annual Renewal for Hexagon HxGN EAM Software Support

Consideration and possible action to approve the annual renewal for the City's HxGN EAM software support in the amount of $139,943.48 -- Greg Berglund, Assistant IT Director

5.N IT Lease Agreements for Servers and Network Equipment through Dell Financial Services

Consideration and possible action to approve the lease agreements of servers and network equipment from Dell Financial Services, LLC; via re-seller Waypoint Business Solutions, LLC at an annual cost of $564,259.46 and a five (5) year grand total of $2,821,297.30 -- Chris Bryce, IT Director, and James Davis, Operations Manager

5.O Development and Operations Agreement with SU 560 Land Holdings, LLC

Consideration and possible action to approve the Development and Operations Agreement with SU 560 Land Holdings I LLC regarding the construction, development

and operations of the City of Georgetown's Customer Service Center on a 1.80 acre tract land located within Phase One of the Southwestern 560 Planned Unit Development-- David Morgan, City Manager

5.P Special Warranty Deed, and Parking Easement with SU 560 Land Holdings I, LLC
Consideration and possible action to approve the Special Warranty Deed with Conditions Subsequent and Right of Reversion for 1.83 acres of land located within the William Addison Survey, Abstract No 21 and the Parking Easement with SU 560 Land Holdings I, LLC and to authorize the Mayor to execute each on behalf of the City of Georgetown -- David Morgan, City Manager

5.Q Agreement Regarding Governance with SU 560 Land Holdings I, LLC
Consideration and possible action to approve the Agreement regarding Governance between the City of Georgetown and SU 560 Land Holdings I, LLC related to the application and governance of the Covenants and Restrictions applying to the city-owned property located within the Southwester University 560 Development -- David Morgan, City Manager

5.R Economic Performance Agreement between SU 560 Land Holdings I, LLC and the Georgetown Transportation Enhancement Corporation
Consideration and possible action to approve an Economic Performance Agreement between SU 560 Land Holdings I, LLC and the Georgetown Transportation Enhancement Corporation -- David Morgan, City Manager

5.S Municipal Service Agreement - 2026-5-ANX - 8600 RM 2338
Consideration and possible action to approve a Municipal Service Agreement with 8600 Williams, LLC, for the provision of municipal services upon annexation to approximately 11.59 acres of land out of the Lewis P. Dyches Survey, Abstract No. 171, generally located at 8600 RM 2338, Georgetown, Texas (2026-5-ANX) -- Colin Davidson, Senior Planner

5.T Second Reading - Replacement Fourth Amendment to Development Agreement for Parkside on the River Subdivision
Second reading of an Ordinance of the City Council to amend Ordinance NOS. 2019-69, 2020-84, 2021-40, 2024-18, and 2026-11, and approve the Replacement Fourth Amendment to Development Agreement for Parkside on the River subdivision -- Nick Woolery, Assistant City Manager

5.U Second Reading - Repeal Local TABC Permit Fees
Second reading of an Ordinance to repeal local fees for alcoholic beverage permits in compliance with state law -- Leigh Wallace, Chief Financial Officer and Board of Health representative for Williamson County and Cities Health District

## Legislative Regular Agenda

6.A First Reading - 2026-2-REZ - 1112 University Ave
Public Hearing and First Reading of an Ordinance on a request for a Zoning Map Amendment to rezone 0.276 Acres, C. Sur, Stubblefield, from the Residential Single-

Family (RS) zoning district to the Local Commercial (C-1) zoning district, for the property generally located at 1112 University Ave W, Georgetown, TX 78628 (2026-2-REZ) -- Anish D'Souza, Associate Planner

6.B First Reading - Amending Section 3.01.220 of the City Code regarding Overtime Pay Exceptions for Eligible Non-exempt Employees
First Reading of an ordinance to amend Section 3.01.220 of the Code of Ordinances of the City of Georgetown relating to overtime exceptions for eligible non-exempt employees -- Wayne Nero, Assistant City Manager

6.C TABC Waiver - Perky Beans
Consideration and possible action to approve a waiver allowing alcohol sales at 2651 E University Ste 100, within 1000 feet from a school and church -- Robyn Densmore, City Secretary

## Adjournment

### Certificate of Posting

I, Robyn Densmore, City Secretary for the City of Georgetown, Texas, do hereby certify that this Notice of Meeting was posted at City Hall, 808 Martin Luther King Jr. Street, Georgetown, TX 78626, a place readily accessible to the general public as required by law, on the _____ day of _____, 2026, at _____, and remained so posted for at least three business days preceding the scheduled time of said meeting.

_____

Robyn Densmore, City Secretary

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Employee Recognition - Years of Service - May 2026**

SUGGESTED ACTION:
Presentation and recognition of the Years of Service and the value which the City of Georgetown Employees add to the organization, presented to those who have served at intervals of five years from the anniversary month in which they started -- David Morgan, City Manager, and City Council

ITEM SUMMARY:
Recognition of the following employees for their dedicated service to the City of Georgetown.

Ten Years
- Susan Demeo - Legal

Twenty Years
- Michael Wright

Thirty Years
- Joan Mailloux

FINANCIAL IMPACT:
N/A

SUBMITTED BY:
Jamie Beran, Human Resources and OD

ATTACHMENTS:
May 2026 Years of Service Celebration.pdf

# City of Georgetown
# May 2026 Years of Service Celebration

Susan Demeo
City Attorney's Office

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# Celebrating 10 Years of Service

Michael Wright
Control Center

GEORGETOWN
TEXAS

# Celebrating 20 Years of Service

Joan Mailloux
Police

# Celebrating 30 Years of Service

GEORGETOWN
TEXAS

# #LoveWhereYouWork

GEORGETOWN
TEXAS

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Update to City Council on the Design Progress of the Customer Service Center**

SUGGESTED ACTION:
Presentation and discussion regarding an update on the Design Progress of the Georgetown Customer Service Center -- Jennifer Bettiol, CIP Manager Public Works

ITEM SUMMARY:
This presentation to the council will include a review of the plans for the Customer Service Center to be located in the first phase of the Southwestern University 560 Project. City staff will outline the responsibilities of Southwestern University and the City of Georgetown, as well as the corresponding agreements which are included in the consent agenda of the city council meeting. The presentation will also provide an update on the Customer Service Center design, including plans and exterior and interior renderings. The current schedule, project construction schedule, and the regulatory submission schedule will be provided as well.

FINANCIAL IMPACT:
GTEC Incentive Agreement of $8.5 million
$56 million voter approved G.O. Bond Debt

SUBMITTED BY:
Lauren Wilson, Public Works

ATTACHMENTS:
Customer Service Center workshop 06.09.2026.pdf
Council Update on Customer Service Center June 2026_for Packet.pdf

# Customer Service Center Investment at the Southwestern University 560 Project

June 9, 2026

GEORGETOWN TEXAS

# Southwestern University 560 Project

- The Southwestern University 560 Project is a strategic investment for the University's future and the Georgetown community. Ultimately, the project will include a mix of uses including employment, residential, retail, and hospitality all complimentary to the University

# 67-Acre Phase 1

- The University has partnered with Banbury as the master developer to deliver the 67-acre first phase which includes office, retail, housing, hospitality, and entertainment in a mixed-use environment with connectivity and green spaces

# Customer Service Center

- In November 2023 Georgetown voters approved the issuance of debt to construct the Customer Service Center
- The building will be the development services hub including departments such as planning, inspections, engineering, and economic development. Other city operations include utility billing, customer care, code compliance, human resources, and IT. In total the building will host more than 250 employees and additional daily visitors.
- To provide an outstanding environment for our employees and to partner on the success of the 560 Project, the City is proposing to building the Customer Service Center in the first phase.

# Customer Service Center

# Major Deal Points:

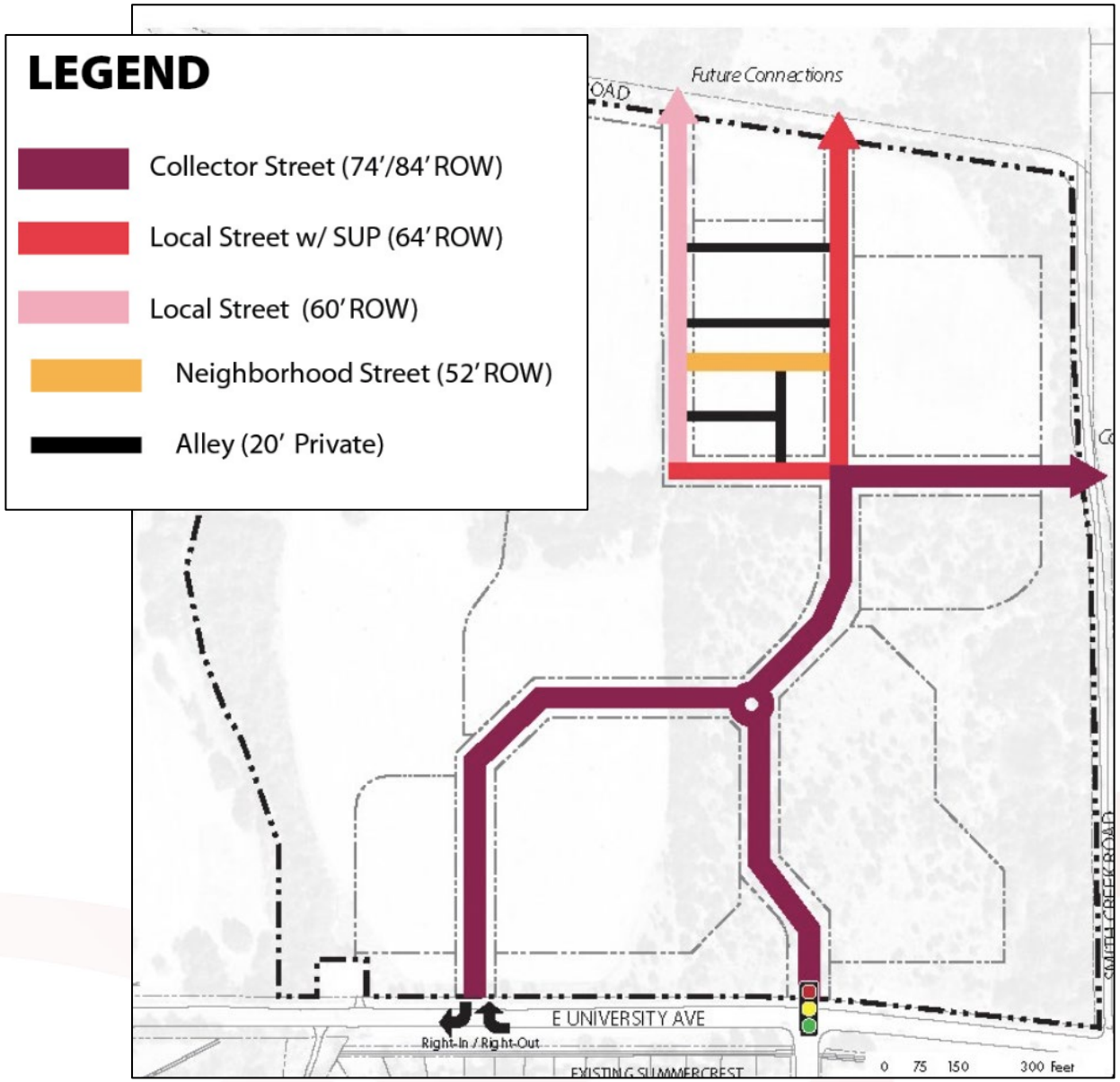
- Requirements for Southwestern University
  - Deliver elements of the 1st phase infrastructure
    - Utility services and collector road construction
  - Pursue development consistent with the adopted zoning (PUD)
  - Deed land to the City for the Customer Service Center
    - To be returned to Southwestern University after 99 years
  - Provide a parking easement for the City to construct a shared parking field and secured parking area for city vehicles
  - Create/enforce development standards and common area maintenance for the development
  - Dedicate public easements and rights of way for the project area

# Major Deal Points

- Requirements for the City of Georgetown
  - Construct and continually operate the Customer Service Center
  - Construct a parking field for shared use and a secured area for city vehicles
  - Provide an $8.5 million transportation incentive grant for the construction of the collector roads and University Avenue
  - Provide 5,000 s.f. of future retail space on the ground level of the Customer Service Center; the retail space will be funded by GEDCO
  - Agree to the development of a TIRZ and/or PID to support future public infrastructure in the future

# Transportation Commitment

- Southwestern will construct collector streets and University Avenue improvements
- The City will reimburse transportation costs up to $8.5 million



# Project Schedule

- Sept. 2026: Southwestern to begin Phase 1 infrastructure
- Jan. 2027: Customer Service Center construction begins
- Nov. 2027: Southwestern utility infrastructure complete
- Feb. 2028: Southwestern infrastructure improvements complete
- Mid 2028: Customer Service Center complete

# Southwestern/City Agreements

- Development and Operations Agreement
- Special Warranty Deed
- Parking Easement
- Governance Agreement
- GTEC Economic Development Agreement

# Questions?

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TEXAS

# Customer Service Center

2026| June 9

# Customer Service Center

- $56,000,000 Project Budget
- Voter approved bond in November 2023

# Brings together:

- Utility Billing
- Customer Care (ask GTX)
- Fire & Life Safety
- Building Permitting &Inspections
- Code Compliance
- Planning
- Development Engineering
- Human Resources
- Economic Development
- IT & IT End User Support
- Data Center
- Transportation & Systems Engineering
- **Remote Police Office*
- **Real Estate*

# Southwestern 560 Development Phase 1A

**Final Plat (Southwestern University 560 Development Phase 1A)**

1. January 20 - initial submittal for Final Plat
2. February 17 - comments received
3. April 6 – U1 resubmit Final Plat
4. April 21 – comments received
5. **May 18** – U2 resubmit Final Plat
6. **June 2** – comments due
7. **June 15** – U3 resubmit Final Plat
8. Final approval - **July 2026 (pending CD approval in June)**

**Infrastructure Plans (Southwestern University 560 Development Phase 1A)**

**May 19** - comment due
**June 1** – U4 submittal
**June 16** – comments due
**July 6** – U5 submittal
**July 21** – comments due
Final approval – **July 2026**

**Infrastructure Construction (Southwestern University 560 Development Phase 1A)**

1. Issue for Bid – **June 4**
2. Pre-Bid – **June 11**
3. Bids Due – **July 9**
4. Award Bid – **July 23**
5. NTP – **August 13**
    1. Lot 3 available for COG construction – **November 2, 2026**
    2. Lot 2 available for COG construction – **December 14, 2026**
    3. Phase 1A Substantial Completion – **December 2027**

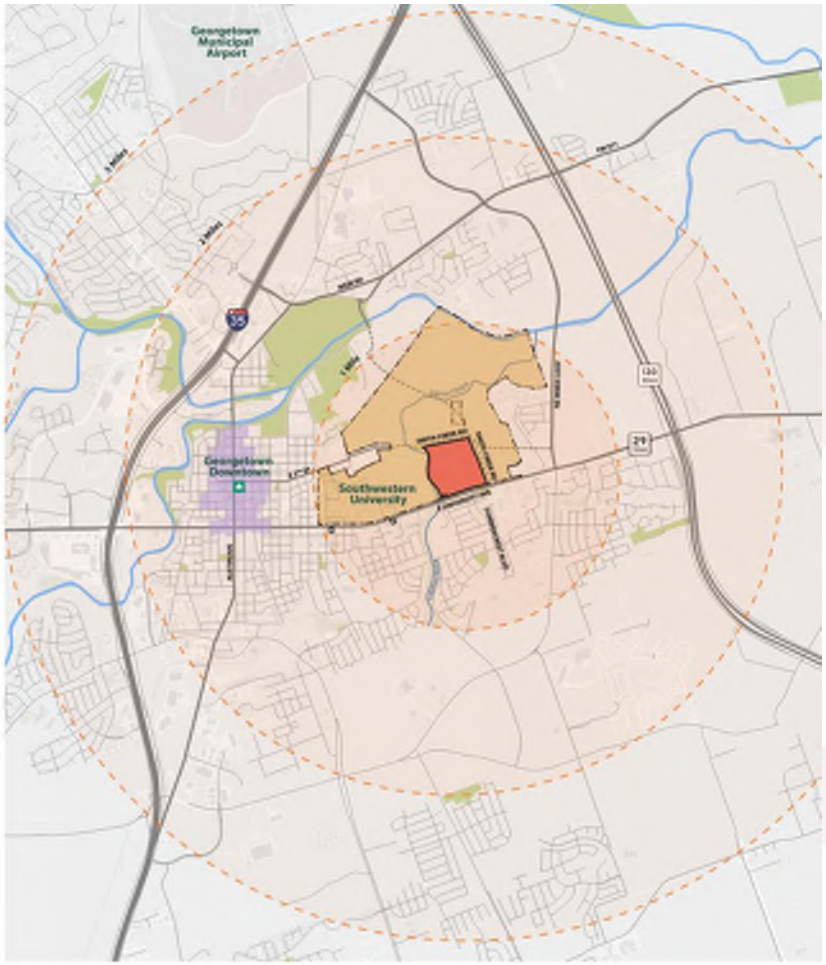



Figure 1:
**Regional Context**

# Coordination of the First Phase of Development

- Fire access for construction
- Construction laydown areas
- Roads & Utility infrastructure
- Communication Lines
- Parking
- Flood maps
- Protection of Eco-hub

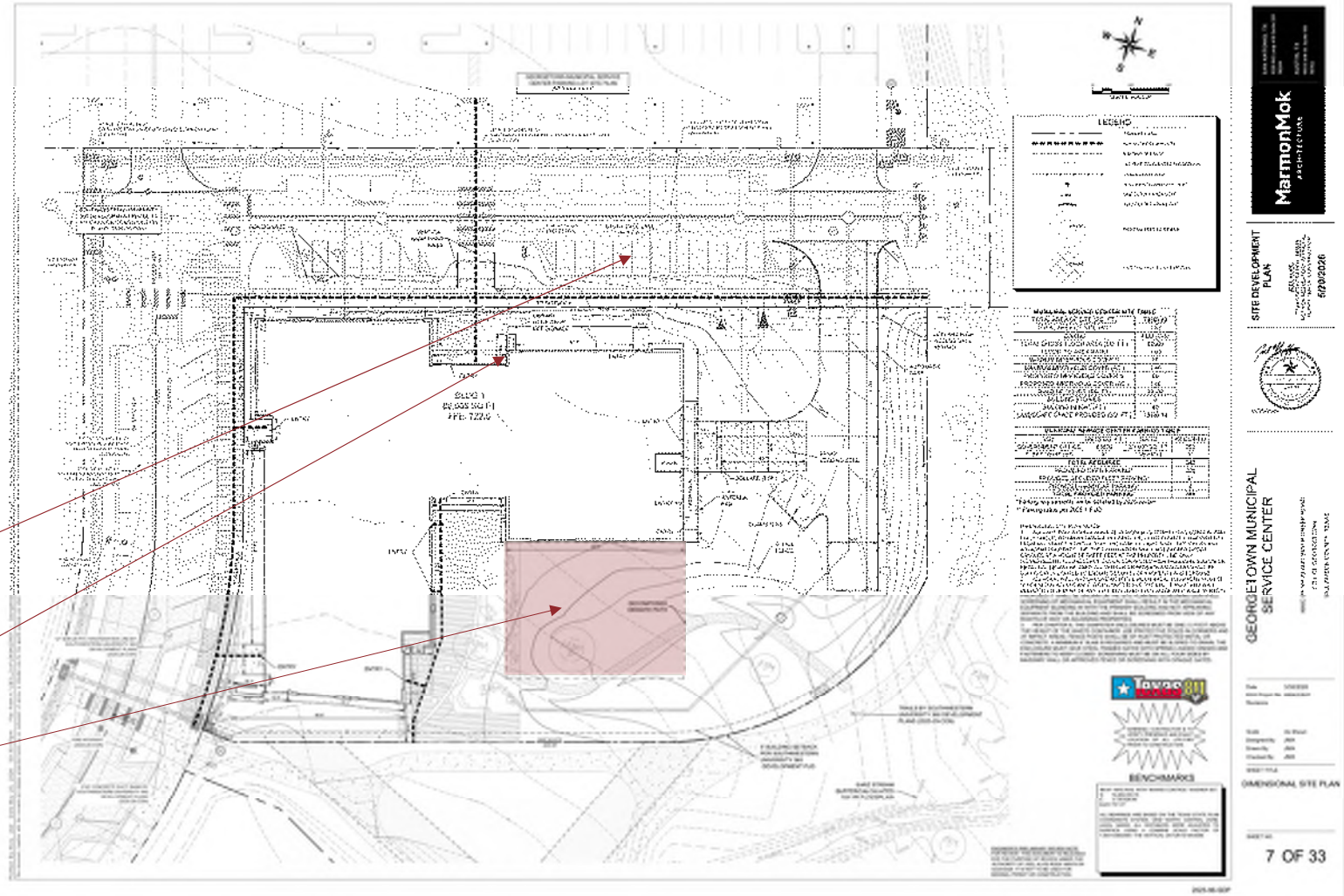
# Site Plan
## Lot 3

- Pedestrian Activity
- Grading
- Infrastructure
- Utility Feeds
- Secured Entry for Building Services

Police Parking and Camera Downloads

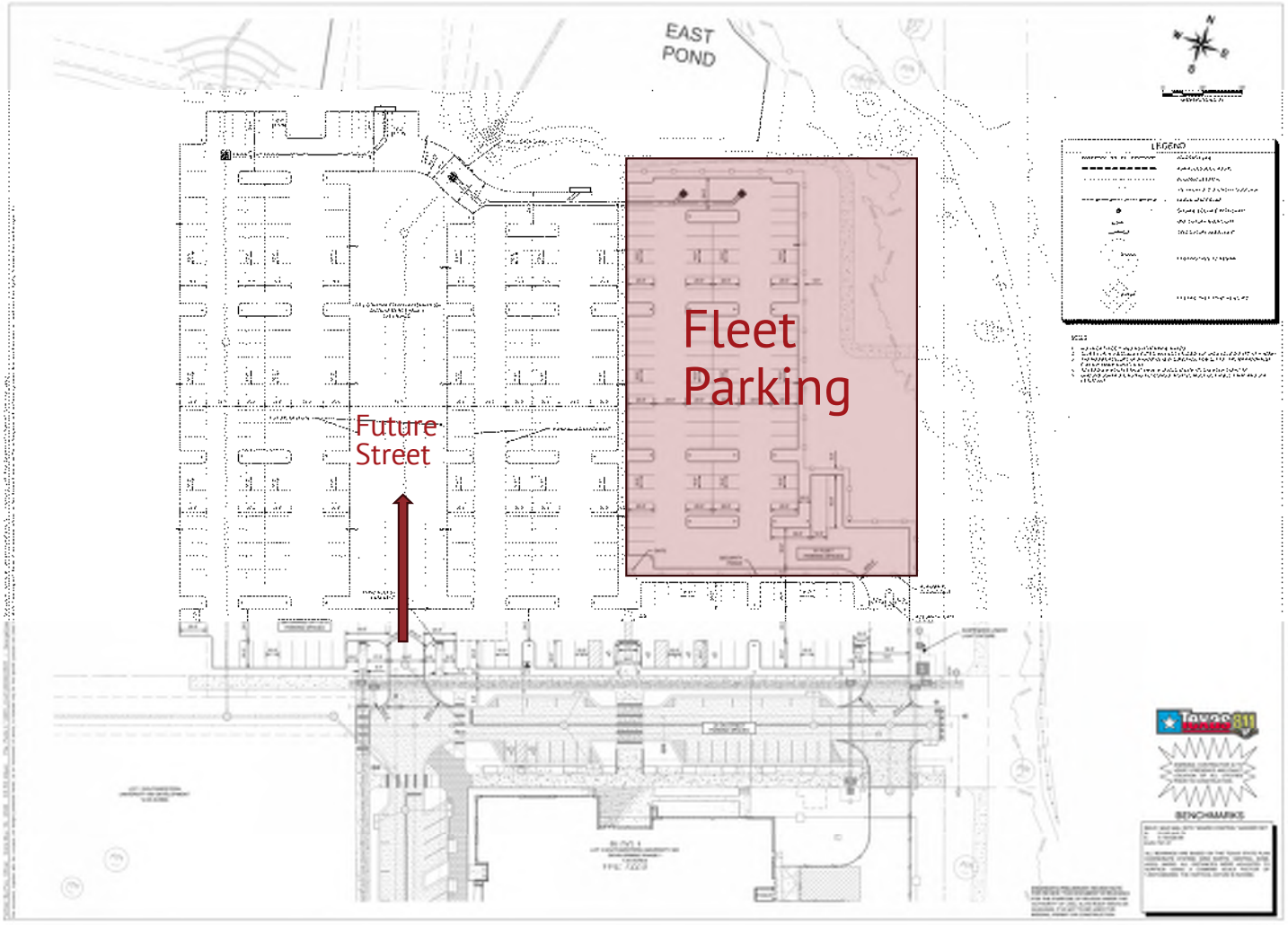
Georgetown Library Book Drop and Book Lockers

Future Expansion



# Site Plan
## Lot 2

- Pedestrian Activity
- Public Parking
- Employee parking
- Secured Fleet Parking
- Future Ready



# Landscaping

- Pedestrian Activity
- Public and Employee interactions and seating
- Streetscape

Banded paving

Seasonal interest planting

Contrasted band

Crossing

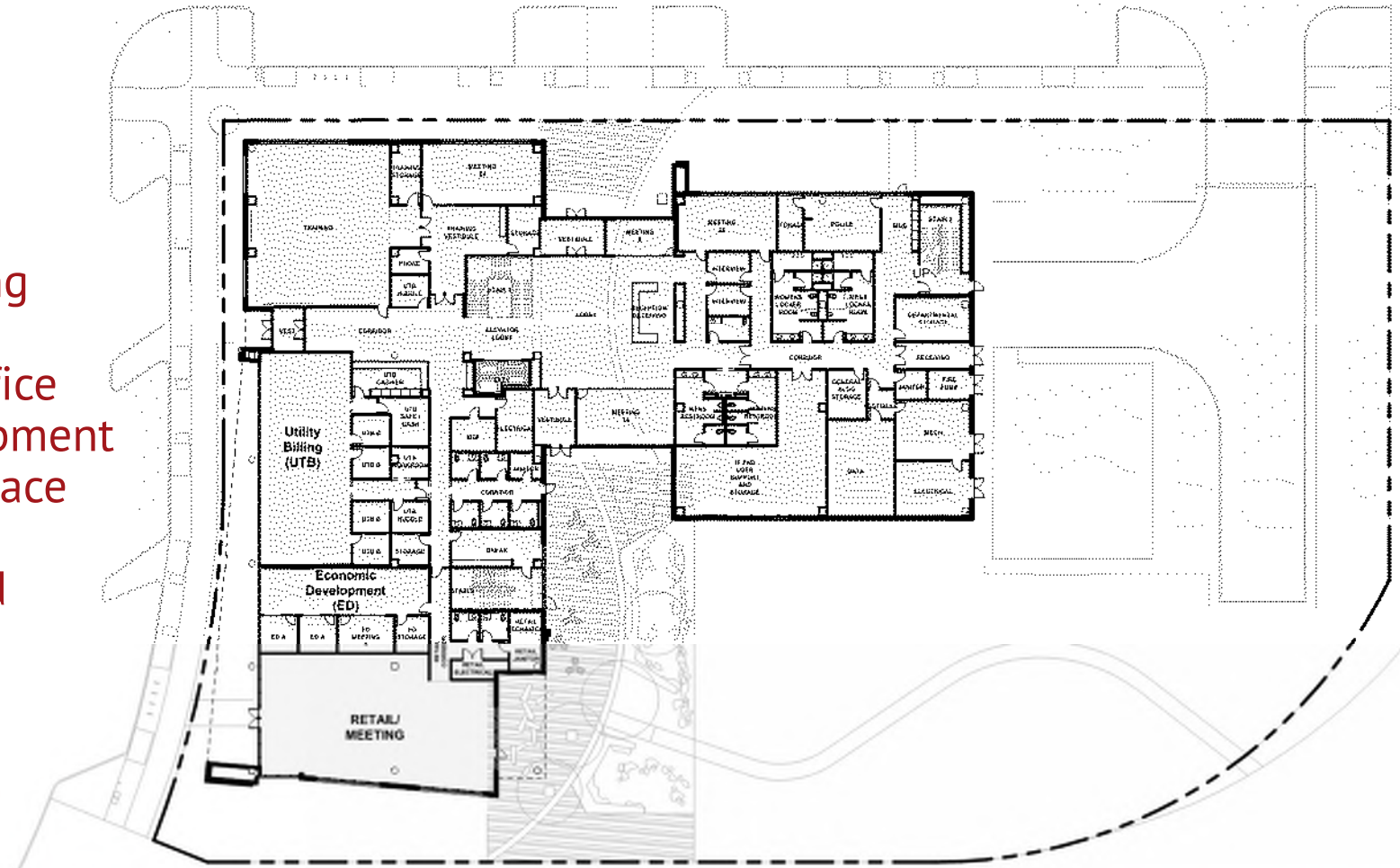
Nested patio

Stone seating

# Floor Plans

## First Floor

- Utility Billing
- Meeting & Training
- IT End User
- Remote Police Office
- Economic Development
- Retail/Meeting Space
  - 5,000 sf
  - GEDCO funded



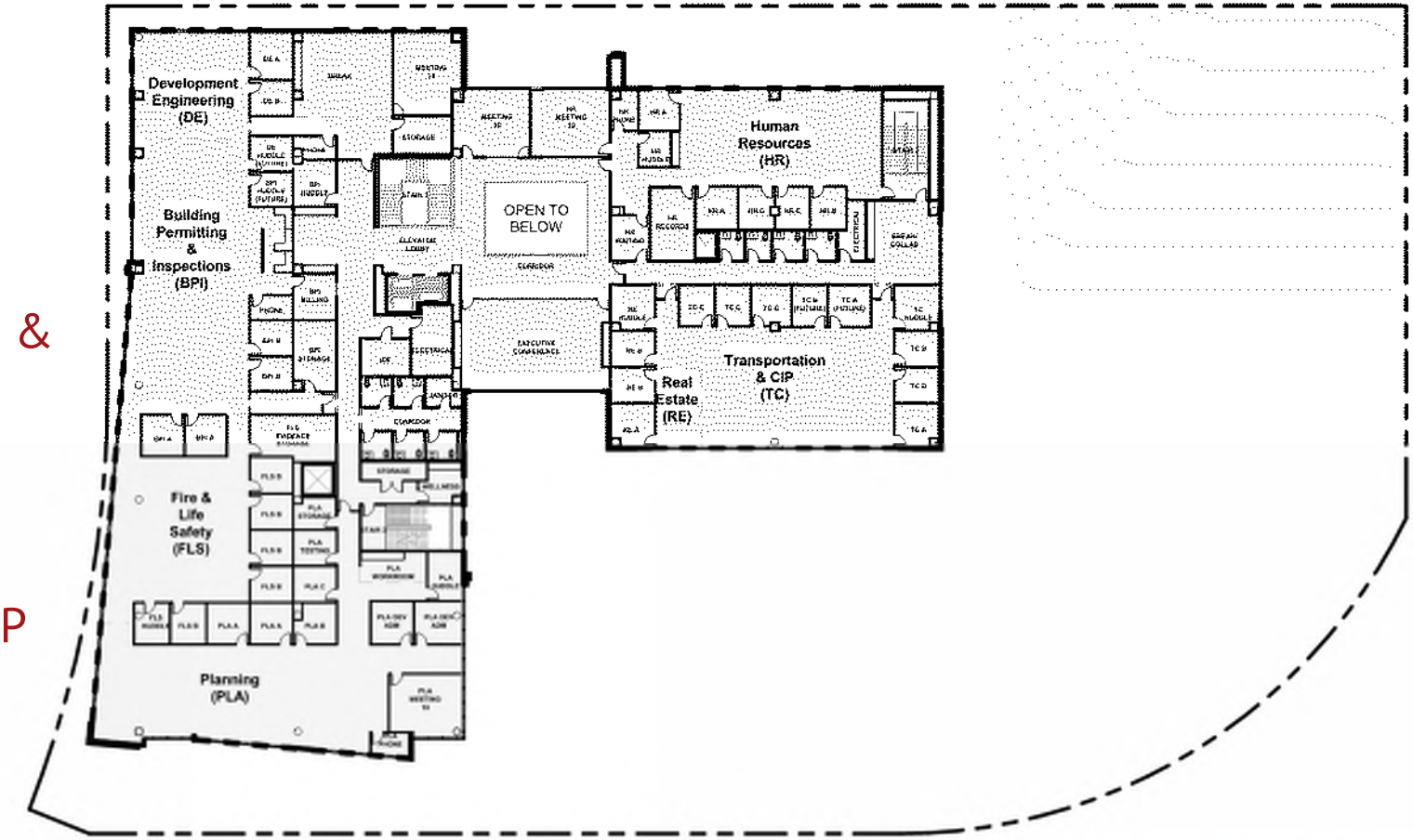

First Floor Plan

MarmonMok
ARCHITECTURE

# Floor Plans

## Second Floor

- Development Engineering
- Building, Permitting & Inspections
- Fire & Life Safety
- Planning
- Human Resources
- Transportation & CIP
- Real Estate
- Meeting Spaces



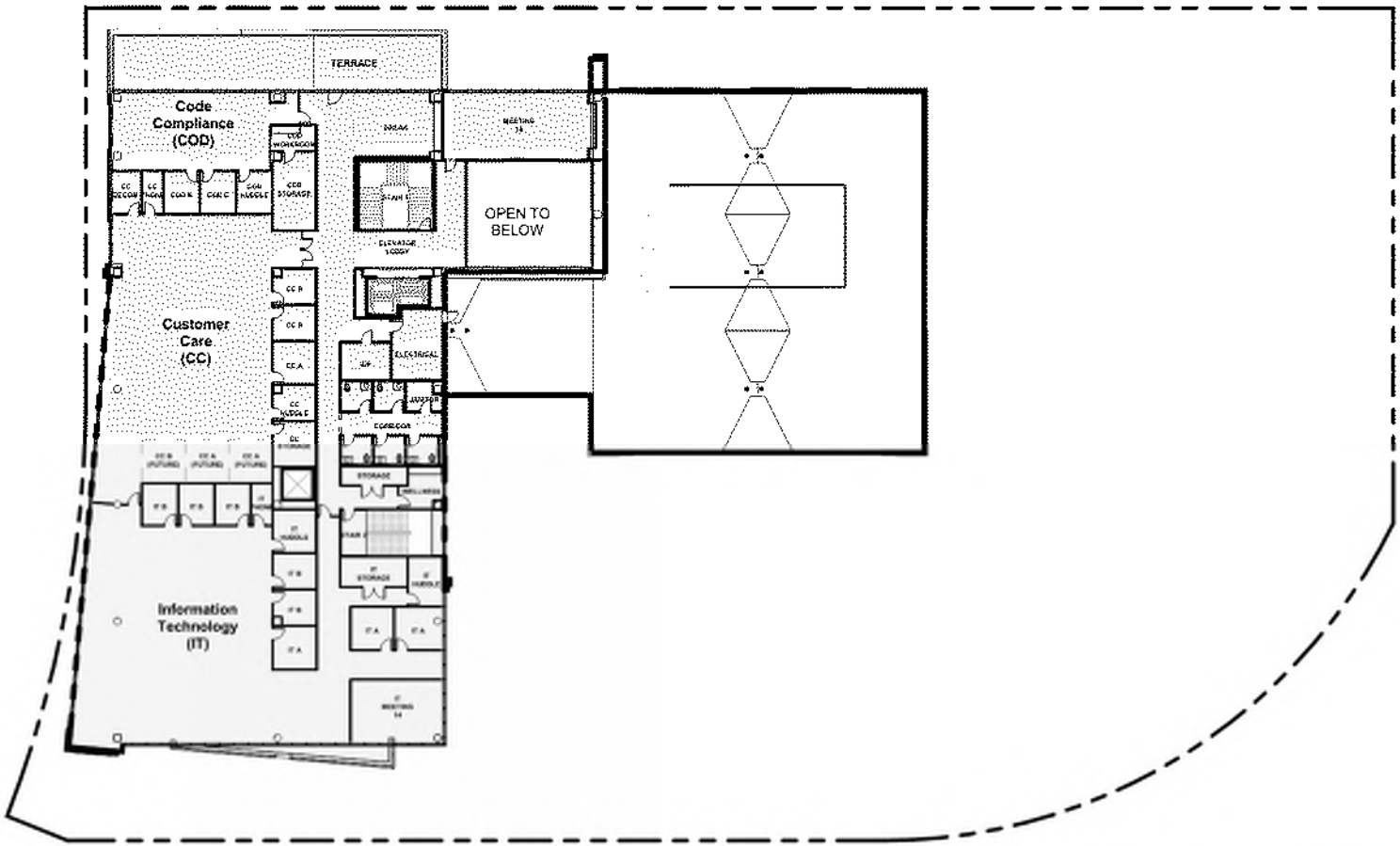

Second Floor Plan

MarmonMok ARCHITECTURE

# Floor Plans

Third Floor

- Code Compliance
- Customer Care (ASK GTX)
- Information Technology
- Meeting Spaces




Third Floor Plan

MarmonMok ARCHITECTURE

MarmonMok
ARCHITECTURE

# Main Lobby

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MarmonMok
ARCHITECTURE

# Main Lobby
# View to Upper Level

GEORGETOWN
TEXAS

MarmonMok
ARCHITECTURE

# Meeting and Training

GEORGETOWN
TEXAS

MarmonMok
ARCHITECTURE

# Level 2
# Executive Conference Room

GEORGETOWN
TEXAS

# Huddle Spaces

MarmonMok
ARCHITECTURE

GEORGETOWN
TEXAS

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# North Elevation – Main Entry

GEORGETOWN TEXAS

# North Perspective – Main Entry

GEORGETOWN TEXAS

# Wesst Elevation – Secondary Entry

GEORGETOWN TEXAS

# South Elevation – Retail Space

GEORGETOWN TEXAS

# South Perspective – Rear Entry

# Schedule

| | |
|---|---|
| Schematic Design ..... | Complete |
| CMAR Selection ..... | Currently Soliciting |
| Design Developments ..... | Early June |
| Construction Documents ... | June – November |
| Permitting..... | June - November |
| Bidding ..... | October/November |
| Construction ..... | 18 months |

Projected to be opened mid 2028

# Next Steps

- Continued Development of Drawings
- Selection of CMAR
- Ongoing coordination with Banbury

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# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**2026 Summer Peak Demand and Conservation Outlook**

SUGGESTED ACTION:
Presentation and discussion regarding summer peak demand and conservation -- Chelsea Solomon, PE, Water Utility Director

ITEM SUMMARY:
Discussion on the status of the water system heading into summer of 2026. This presentation goes into the environmental factors that affect max day demand, current status of various water and wastewater projects associated with peak demand and conservation efforts. Based on information provided, watering recommendations will be considered and discussed by Council.

FINANCIAL IMPACT:

SUBMITTED BY:
Rebecca Fisher, Water Utility Department

ATTACHMENTS:
Water Utility Peak Demand and Conservation efforts 3-2026.pdf

# Water Peak Demand and Conservation Updates
# June 9, 2026

# Agenda

- A look at the past 3 calendar years for comparison purposes
- System Improvements
- Environmental Factors
- Retained and Transfer
- Growth
- Demand and Capacity
- Conservation
  - Sensus AMI
  - Conservation
  - Regulatory

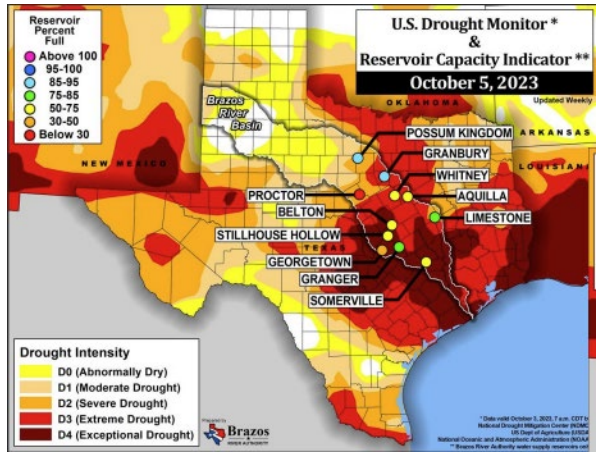
# Recent History

- 2021 was the last full summer that we were in 2 day per week watering
- 6/28/2022 entered Drought Contingency Stage2 -1 day per week watering due to system capacity triggers and lake levels
- 7/14/2023 entered Drought Contingency Stage 3, infrastructure construction projects were delayed that served the west side of service territory.
- June 2025, returned to 2 days per week irrigation.  South Lake Phase 1 completed
- Annual Rate increases
- Impact Fee Evaluation

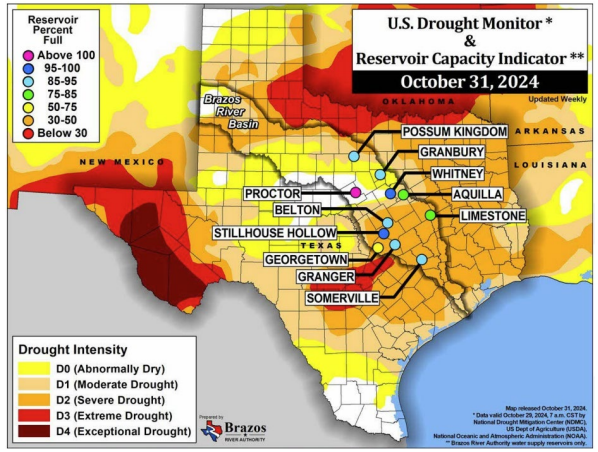
# System Improvements

- Northlake Expansion (2024)– 28.6 MGD to 37.4 MGD
- Southside(2023) – Rehabilitation of existing 3.2 MGD Plant
- South Lake WTP
  - Construction of Phase 1 – 22 MGD (2025)
  - Construction of Phase 2 – 22 MGD (2026)
- Temporary Pumps – distribution of existing capacity, ability to pull Leander contracted water (2023/2024)
- Parkside (August 2024) – 3 MGD Contracted Water from Round Rock, contract till 2031

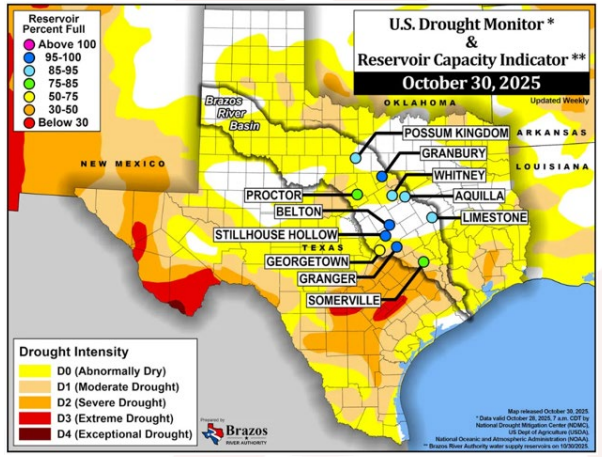
# Environmental Factors




October 2023



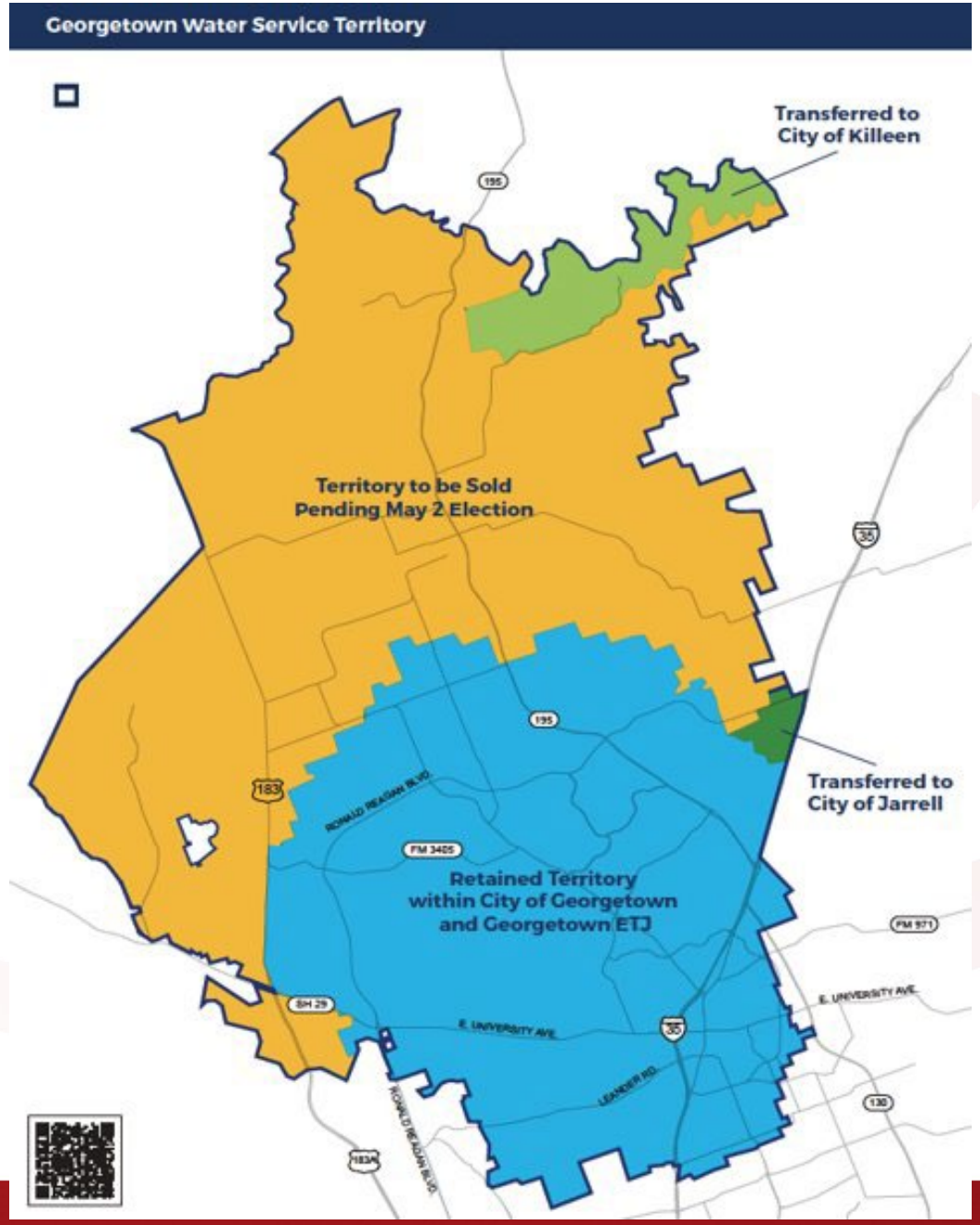

October 2024




October 2025

| | Days > 100 /Hottest Day | May | | June | | July | | August | | September | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Avg Temp | Total Rain | Avg Temp | Total Rain | Avg Temp | Total Rain | Avg Temp | Total Rain | Avg Temp | Total Rain |
| 2023 | 61 days/107 deg | 84 | 2.34” | 95 | .23” | 99 | 0.0” | 103 | .04” | 96 | 2.15” |
| 2024 | 7 days/106 deg | 86 | 6.36” | 92 | 1.75” | 91 | 2.31” | 96 | .9” | 92 | 0.70” |
| 2025 | 4 days/101 deg | 85 | 8.81” | 93 | 1.78” | 91 | 8.77” | 94 | 2.49” | 89 | 0.25” |

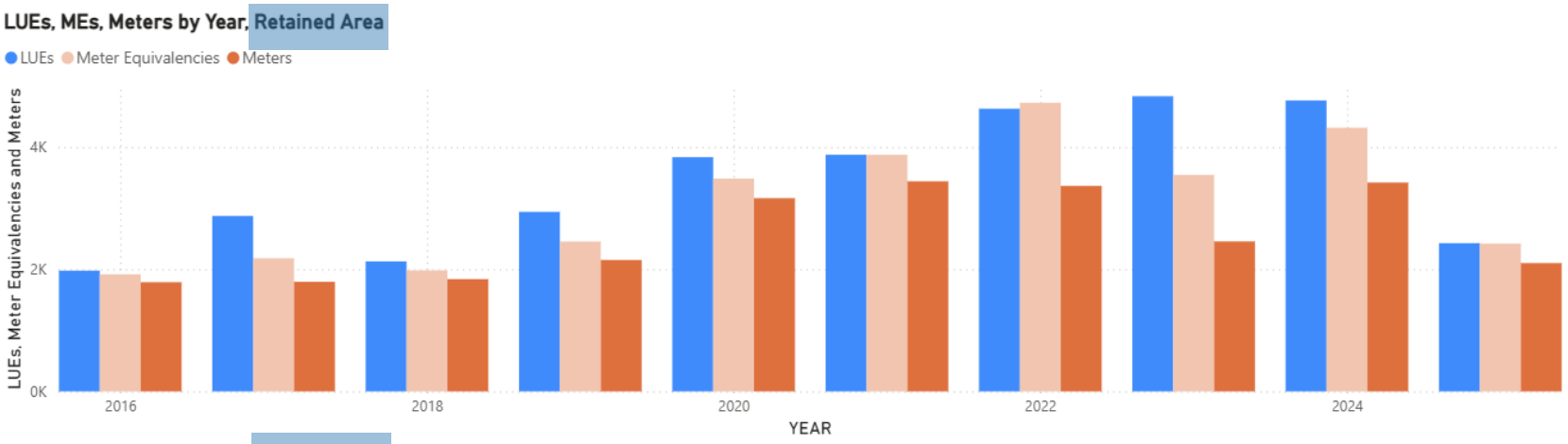
# Water CCN Transfer Area

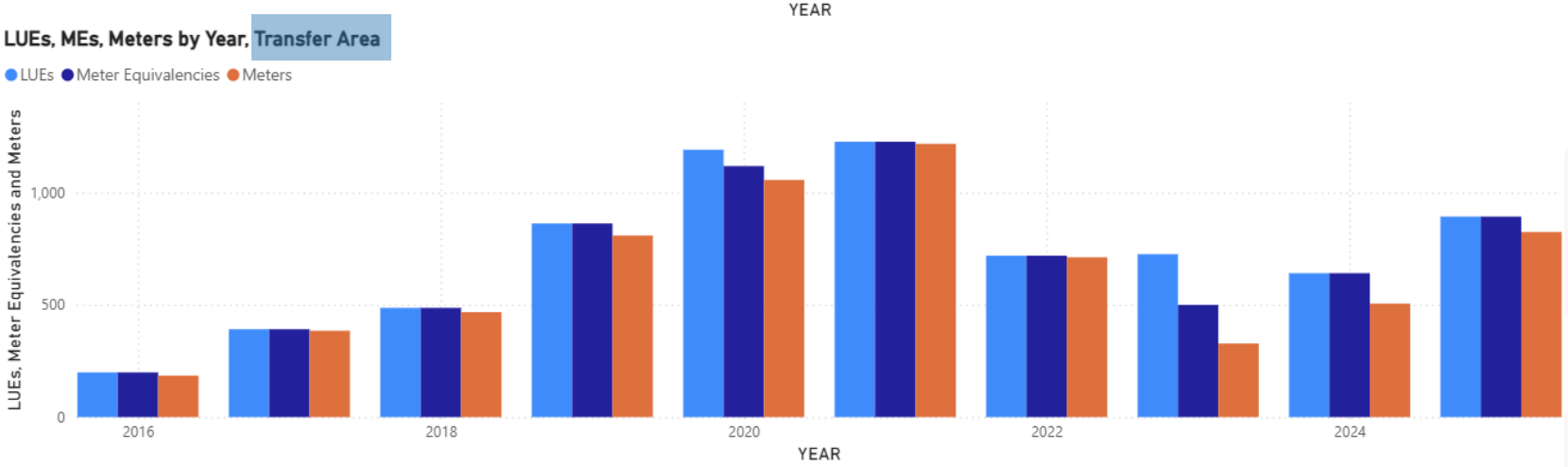


# Growth

In retained City areas and in proposed transfer areas

# Growth in Meters



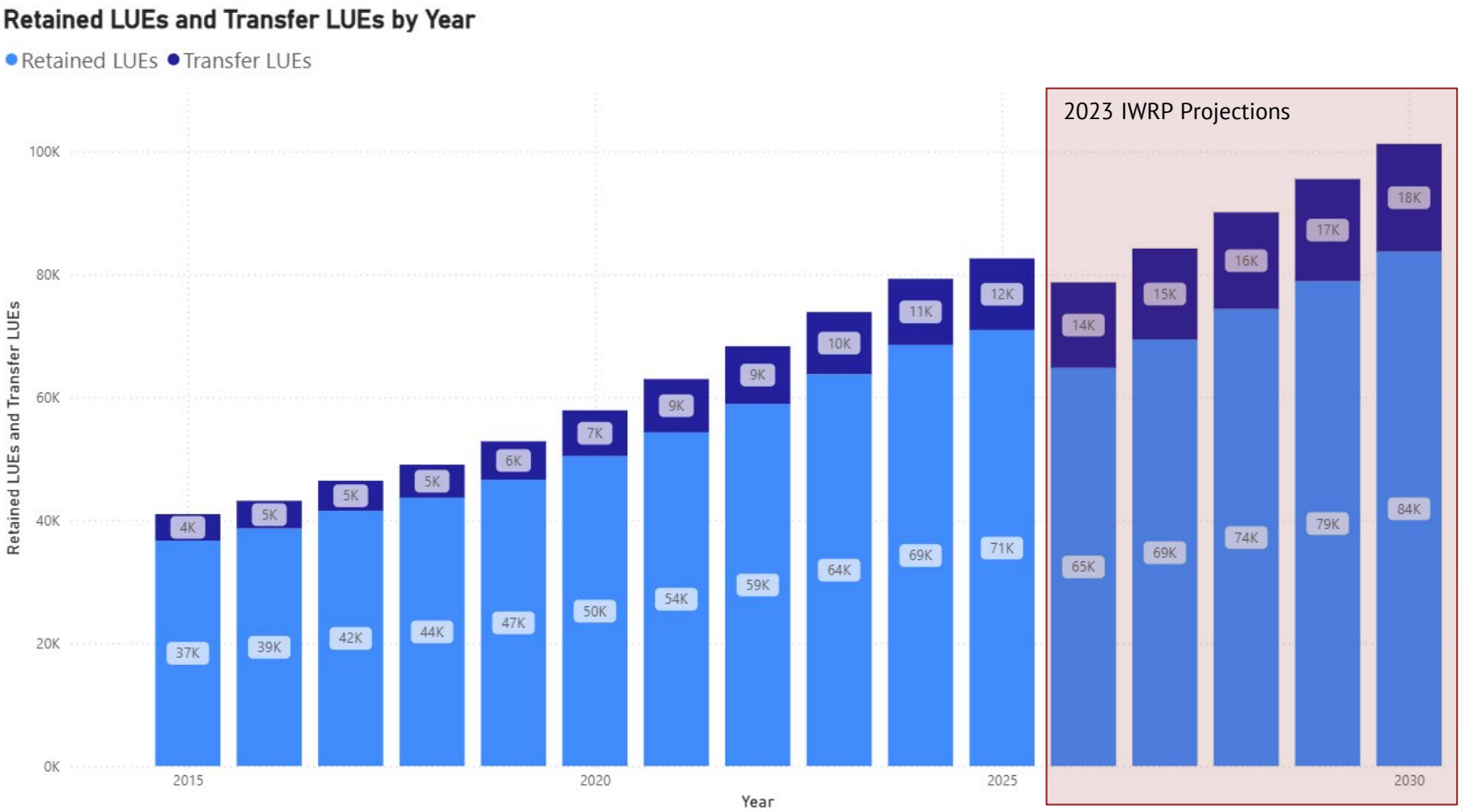

**Retained**

| YEAR | LUEs | Meter Equivalencies | Meters |
|---|---|---|---|
| 2016 | 1,976 | 1,917 | 1,788 |
| 2017 | 2872 | 2,179 | 1,795 |
| 2018 | 2,128 | 1,981 | 1,838 |
| 2019 | 2,939 | 2,454 | 2,152 |
| 2020 | 3,835 | 3,485 | 3,163 |
| 2021 | 3,873 | 3,873 | 3,438 |
| 2022 | 4,628 | 4,725 | 3,363 |
| 2023 | 4,831 | 3,544 | 2,456 |
| 2024 | 4,762 | 4,316 | 3,418 |
| 2025 | 2,427 | 2,419 | 2,101 |

**Transfer**

| YEAR | LUEs | Meter Equivalencies | Meters |
|---|---|---|---|
| 2016 | 199 | 199 | 185 |
| 2017 | 392 | 392 | 385 |
| 2018 | 487 | 487 | 468 |
| 2019 | 863 | 863 | 809 |
| 2020 | 1,191 | 1,119 | 1,057 |
| 2021 | 1,227 | 1,227 | 1,218 |
| 2022 | 719 | 719 | 712 |
| 2023 | 726 | 500 | 328 |
| 2024 | 641 | 641 | 506 |
| 2025 | 893 | 893 | 825 |

# Cumulative Growth in LUEs

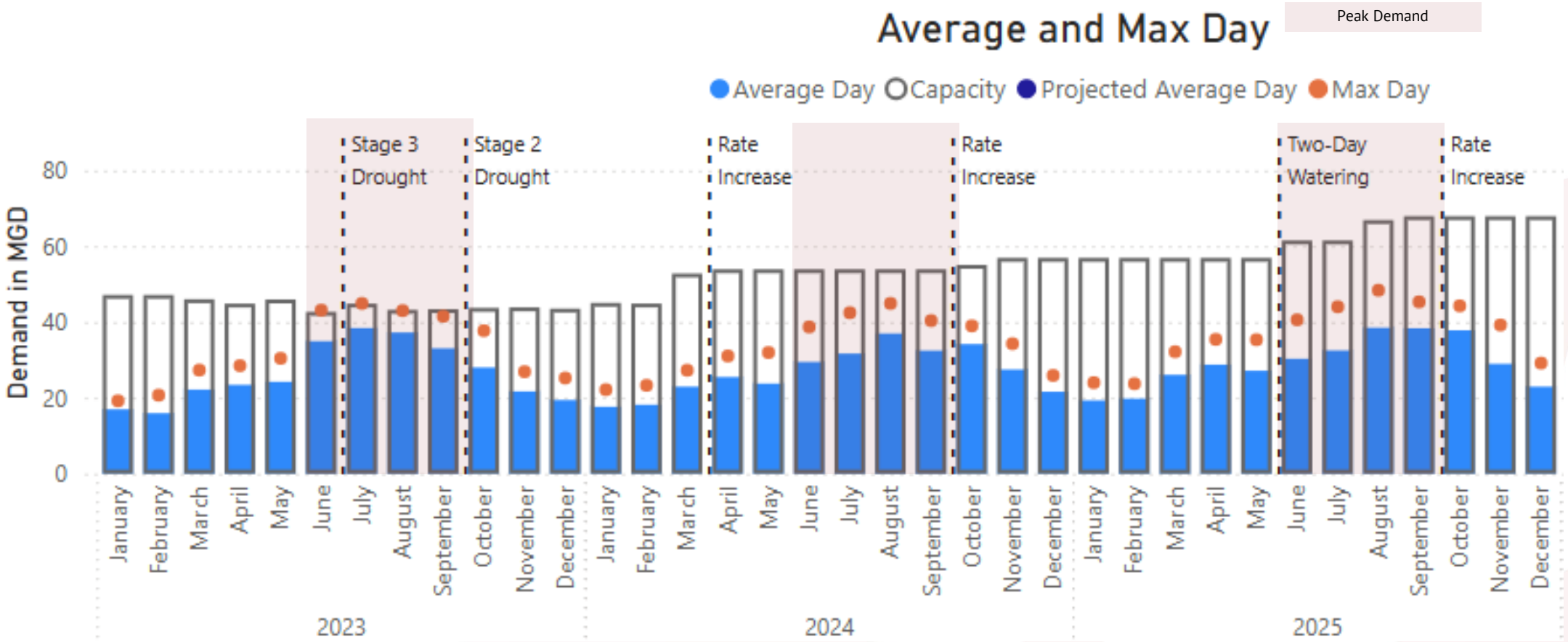



| Year | Transfer LUEs | Retained LUEs | Totals |
|---|---|---|---|
| 2015 | 4,318 | 36,672 | 40,990 |
| 2016 | 4,516 | 38,648 | 43,164 |
| 2017 | 4,907 | 41,520 | 46,427 |
| 2018 | 5,394 | 43,648 | 49,042 |
| 2019 | 6,257 | 46,587 | 52,844 |
| 2020 | 7,449 | 50,422 | 57,871 |
| 2021 | 8,676 | 54,295 | 62,971 |
| 2022 | 9,395 | 58,923 | 68,318 |
| 2023 | 10,121 | 63,754 | 73,875 |
| 2024 | 10,763 | 68,516 | 79,279 |
| 2025 | 11,656 | 70,943 | 82,599 |
| 2026 | 13,913 | 64,790 | 78,703 |
| 2027 | 14,795 | 69,417 | 84,212 |
| 2028 | 15,741 | 74,365 | 90,106 |
| 2029 | 16,611 | 78,901 | 95,512 |
| 2030 | 17,536 | 83,708 | 101,244 |

# Demand and Capacity

Multi-year overview

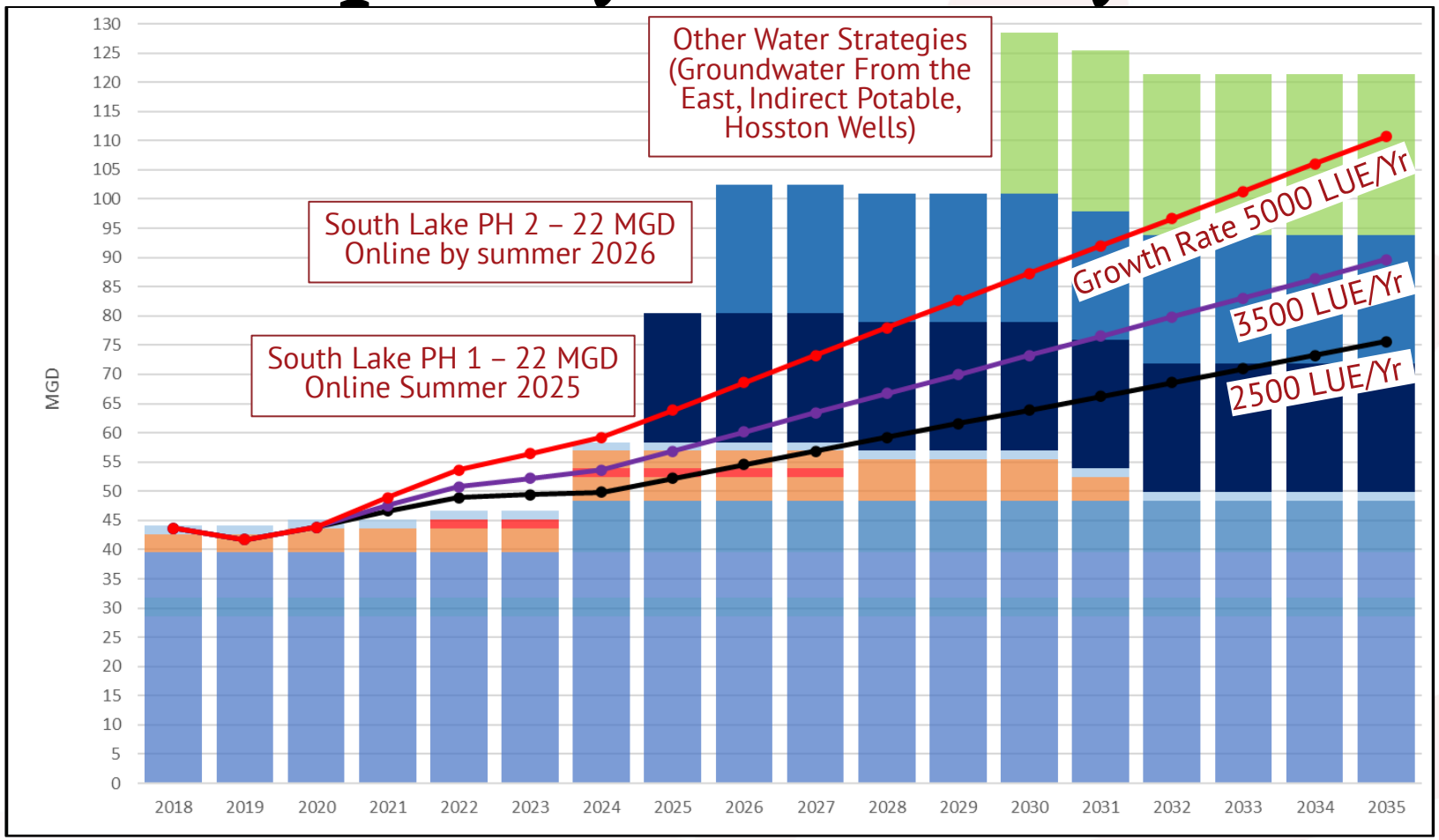
# Water Demand




| | 2023 | 2024 | 2025 |
|---|---|---|---|
| Average Day MGD | 26.34 | 26.84 | 29.27 |
| Max Day MGD | 46.41 | 44.90 | 48.38 |

# Treated Water Capacity- Max Day

| | | Production Asset | Cap-acity | Start | End |
|---|---|---|---|---|---|
| OWNED BY GEORGETOWN | FIRM | North Lake | 28.6 | 2018 | 2050 |
| | | South Side 3.2 | 3.2 | 2018 | 2050 |
| | | Domel Firm | 1.5 | 2018 | 2050 |
| | | Park Plant | 6.3 | 2018 | 2050 |
| | | Planned Expansions | | | |
| | | North Lake Exp | 8.8 | 2024 | 2050 |
| | | South Lake Ph 1 | 22 | 2025 | 2050 |
| | | South Lake Ph 2 | 22 | 2026 | 2050 |
| | | Other | 0 | 2041 | 2050 |
| | NON-FIRM | Domel | 1.5 | 2018 | 2050 |
| | | Other | 0 | 2040 | 2050 |
| CONTRACTED WATER | FIRM | RR Rabbit Hill | 3 | 2018 | 2030 |
| | | RR Highlands | 1 | 2020 | 2031 |
| | | Leander | 1.5 | 2022 | 2027 |
| | | RR CR 175 | 3 | 2024 | 2031 |
| | | Opportunities to aquire | 27.5 | 2030 | 2050 |
| | NON-FIRM | RR Rabbit Hill | 0 | 2018 | 2030 |
| | | RR CR 175 | 0 | 2024 | 2030 |
| | | other | 0 | 2040 | 2040 |

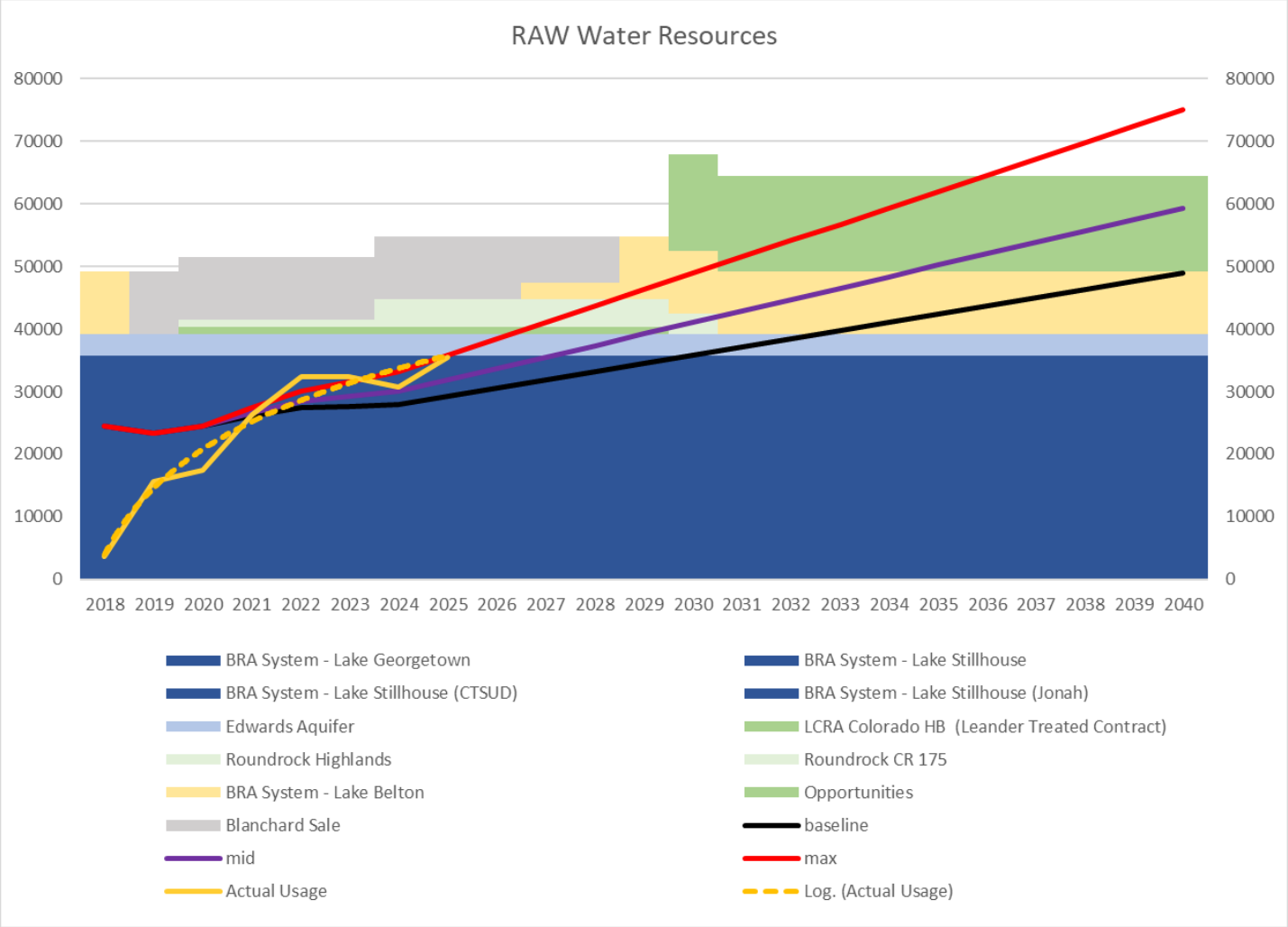



Treated Firm Capacity 99.4 mgd

# Raw Resources

Contracts

- Blanchard
  - 10,000 acre-ft
  - Effective till 8/31/2029
  - Earliest clawback of 2,500 acre-ft is 9/1/2027
- City of Round Rock at Rabbit Hill
  - 3mgd effective till 2031, utilizes Georgetown owned water, is for treatment capacity only
- City of Round Rock
  - 3.25 mgd at New Hope
  - 1mgd at Flowstone
  - Effective till 2031



# Conservation

# Rebate Programs

| Rebate Type | Number of Rebates and Amount Spent (FY19) | Number of Rebates and Amount Spent (FY20) | Number of Rebates and Amount Spent (FY21) | Number of Rebates and Amount Spent (FY22) | Number of Rebates and Amount Spent (FY23) | Number of Rebates and Amount Spent (FY24) | Number of Rebates and Amount Spent (FY25) |
|---|---|---|---|---|---|---|---|
| Irrigation Check up | 2327<br>$174,525.00 | 580<br>43,500.00 | 2360<br>$177,125.00 | 2594<br>$194,550.00 | 2074<br>$154,723.67 | 1,867<br>$139,905.00 | 1792<br>$134,295.95 |
| Smart/Weather - Based Controller | 119<br>$16,655.17 | 42<br>$5,820.47 | 166<br>$23,829.00 | 192<br>$28,800.00 | 152<br>$22,320.69 | 129<br>$16,548.41 | 241<br>$31,189.06 |
| Spray - to - Drip Conversion | 24<br>$3,447.80 | 8<br>$1,117.15 | 41<br>$5,762.53 | 40<br>$6,000.00 | 19<br>$2,780.00 | 20<br>$3,390.07 | 1<br>$150.00 |
| Multi- Stream Nozzle Zone | 116<br>$16,551.03 | 28<br>$3,768.53 | 103<br>$14,603.76 | 146<br>$21,900.00 | 73<br>$11,142.14 | 114<br>$33,667.71 | 123<br>$42,094.72 |
| Rain Barrel/ Rainwater Harvesting | 5<br>$125.00 | 1<br>$25 | 17<br>$425 | 25<br>$625.00 | 16<br>$375.00 | 100<br>$2,500.00 | 61<br>$7,506.11 |
| Xeriscape/ Native Landscaping | N/A | N/A | N/A | 32<br>$17,479.52 | 41<br>$23,581.07 | 93<br>$52,394.22 | 14<br>$29,593.31 |
| Pool Cover | N/A | N/A | N/A | N/A | N/A | 3<br>$450.00 | 5<br>$655.98 |
| Hose Timer | N/A | N/A | N/A | N/A | N/A | 5<br>$125.00 | 13<br>$716.84 |
| Texas Grown Tree Rebate | N/A | N/A | N/A | N/A | N/A | N/A | 18<br>$7,624.44 |
| Permanent Removal of Irrigation System | N/A | N/A | N/A | N/A | N/A | N/A | 3<br>$600.00 |
| Lawn Aeration and Composting | N/A | N/A | N/A | N/A | N/A | 28<br>$3,150.00 | 42<br>$4,200.00 |
| **Total** | **2,591<br>$207,856.20** | **659<br>$54,231.15** | **2,687<br>$221,745.52** | **3,029<br>$295,000** | **2,375<br>$214,922.57** | **2,359<br>$252,130.41** | **2312<br>$258,701.41** |

FY25

**$258,701**

Rebates

FY25

**2,327**

Total Rebates

**11** Programs

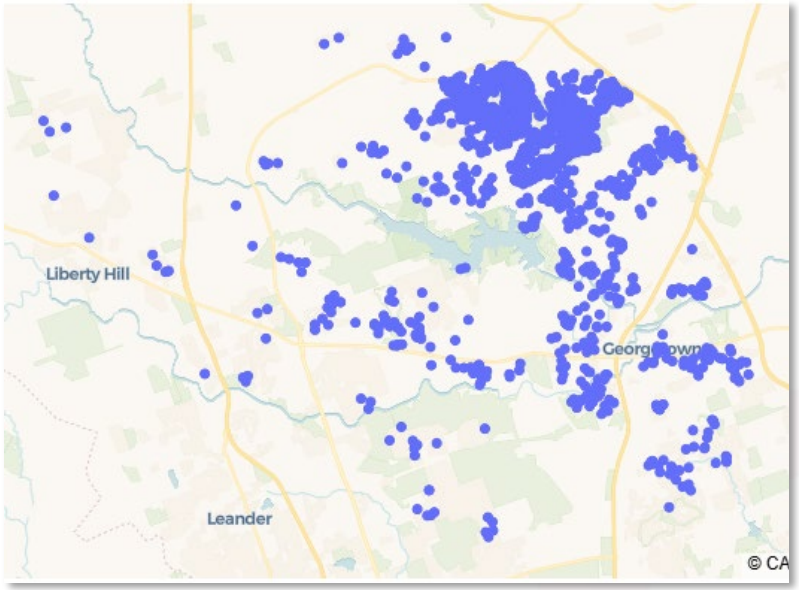
# Rebate Program

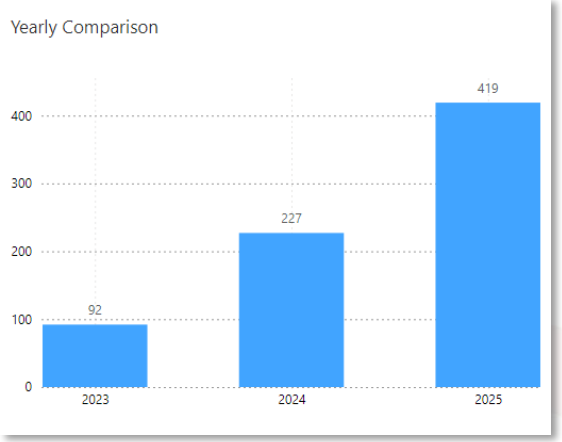
| Residential Rebates – FY 2026 | Changes to Consider – FY 2027 |
|---|---|
| Digital Hose Water Timer Rebate: Up to $25 | Up to $30 |
| Irrigation Check-up Rebate: Up to $75 | None |
| Lawn Aeration and Compost Rebate: Up to $100 | Separate rebates; both $100 total |
| Pool Cover Rebate: Up to $150 | None |
| Smart Controller Replacement Rebate: Up to $150 | Up to $200 |
| Texas Grown \| Native Tree Rebate: Up to $500 | Add up to one (1) 45 – gallon or 3 - in caliper tree |
| Permanent Removal of Irrigation System Rebate: Up to $600 | Up to $1,000 |
| Multi-stream Nozzle Conversion Rebate: Up to $600 | Up to $800 |
| Rainwater Harvesting Rebate: Up to $600 | Increase to $1/gal; installation up to $200; $600 total |
| Irrigation Zone Capping (Pulled out of Permanent Removal) | Up to $800 |
| Texas Grown \| Native Landscaping Rebate: Up to $3,000 | Up to $4,000 |
| **Commercial Conservation Rebates-FY 2026** | **Changes to Consider – FY 2027** |
| General Information | |
| Median/Island Removal or Conversion Rebate: Up to $1,000 | None |
| Permanent Removal of Irrigation System Rebate: Up to $1,000 | None |
| Texas Grown \| Native Tree Rebate: Up to $1,000 | None |
| Texas Grown \| Native Landscaping Rebate: Up to $5,000 | None |

We are currently not considering changes to commercial rebates. Our primary focus is on marketing efforts directed toward the commercial sector. We are actively collaborating with several commercial and institutional customers to gather feedback on our current rebate program.

# Controller Assistance Program

- Free program available to all COG Water Utility customers
- April- October
- Three Licensed Irrigators on staff
- Full irrigation system check including controller
- One of our most positively received customer programs



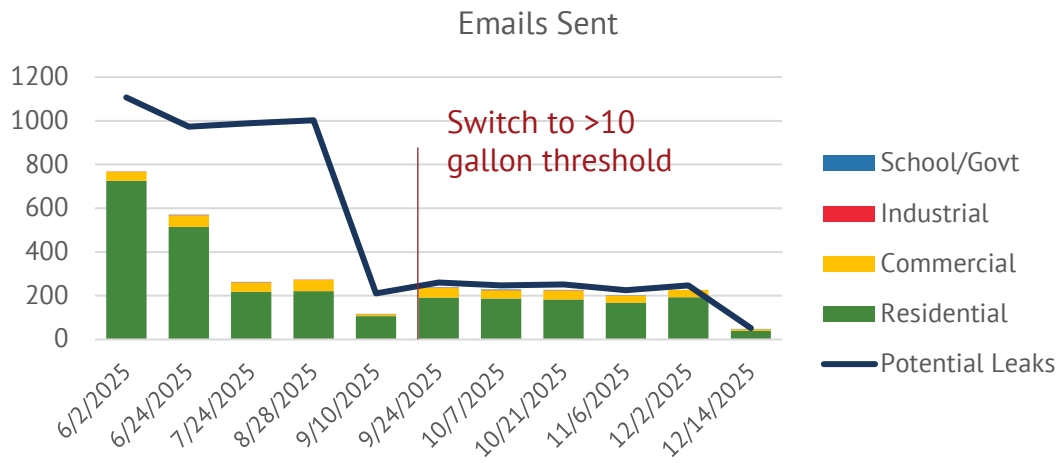

Comments

| Customer Responses |
| --- |
| A great service!! |
| Appreciate this service for water customers! |
| Customer service was extremely appreciative and informative |
| Great work |
| Help in understanding the difference types of sprayer heads and correct placement |
| I will notify more neighbors about this service. |
| Natasha was very helpful and even came back to our home to fix an irrigation leak after we purchased a part. |
| Please keep the program. It is very helpful and it works, at least for me. |
| She reset my sprinkler control box and explained how the system works and was very helpful, polite and knowledgeable. These new sprinkler systems are very complicated and complex so having her explain things to me made such a big difference. and knowledgebleand knowledgeablele |
| She was very knowledgeable, it was my pleasure to working with her. |

# Texas Grown update

- Working with CAPE to promote native landscaping rebate and show diverse examples
- Updating our Love Your Local Lawn guide to incorporate images of the native plants listed
- Working on partnership with local nurseries
  - Texas Grown plant signage
    - HEB, McIntire's, Hillside, Home Depot, Ace Hardware

# Leak Report




| Total Potential Leaks | Total Emails Sent |
|---|---|
| 5569 | 3157 |

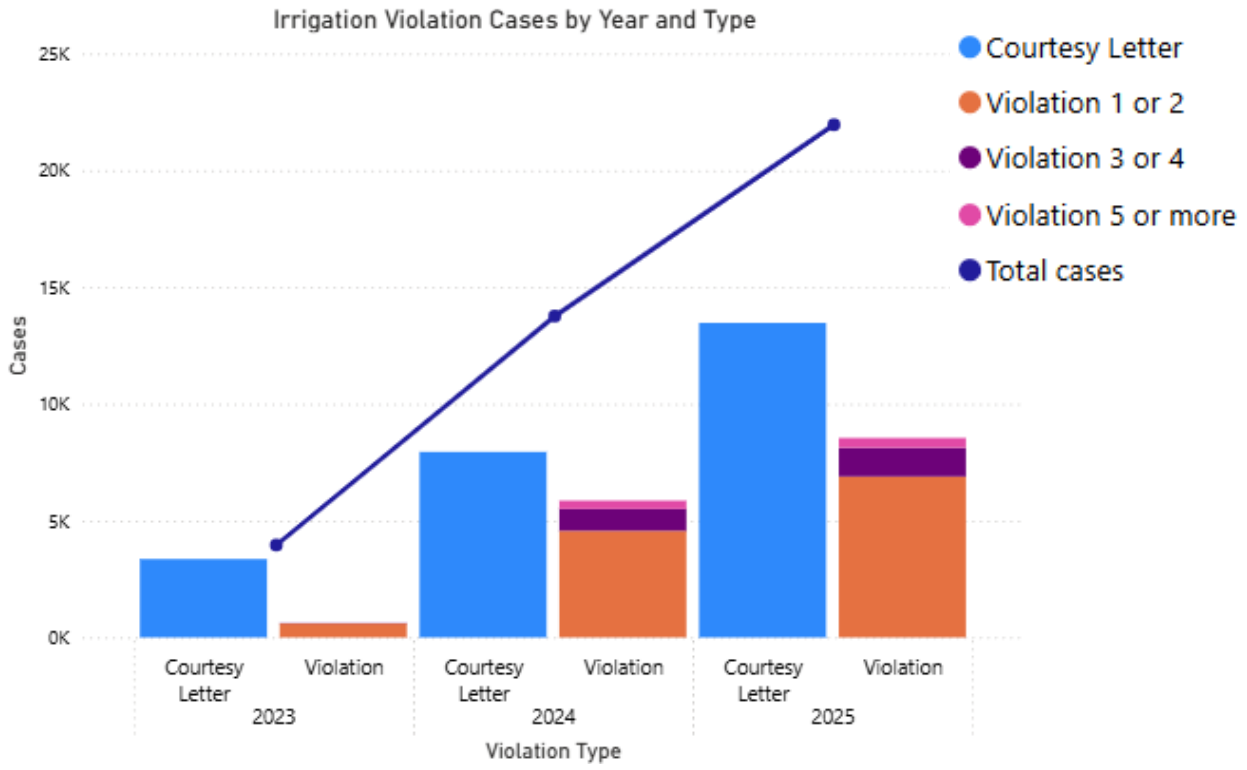
- We are only able to detect potential leaks using the Sensus AMI interval data that we did not have before
- Once the Sensus project is complete, we will be able to analyze every meter's hourly data in the system

| Date Sent: | Potential Leaks | Residential | Commercial | Industrial | School/Govt | Totals |
|---|---|---|---|---|---|---|
| 6/2/2025 | 1107 | 726 | 41 | 1 | 0 | 768 |
| 6/24/2025 | 973 | 515 | 53 | 1 | 2 | 571 |
| 7/24/2025 | 990 | 218 | 43 | 1 | 1 | 263 |
| 8/28/2025 | 1003 | 221 | 51 | 1 | 0 | 273 |
| 9/10/2025 | 211 | 107 | 9 | 0 | 1 | 117 |
| 9/24/2025 | 260 | 192 | 43 | 1 | 1 | 237 |
| 10/7/2025 | 248 | 188 | 37 | 1 | 2 | 228 |
| 10/21/2025 | 251 | 183 | 41 | 1 | 1 | 226 |
| 11/6/2025 | 226 | 168 | 33 | 0 | 1 | 202 |
| 12/2/2025 | 248 | 193 | 34 | 0 | 0 | 227 |
| 12/14/2025 | 52 | 39 | 8 | 0 | 1 | 45 |
| Totals | 5569 | 2750 | 393 | 7 | 10 | 3157 |

# Conservation Inspectors

| Current | Year One | Future |
| --- | --- | --- |
| • Hire staff<br>• Training<br>  • In- person<br>  • Licensing<br>• Begin implementation<br>  • Soil Depth | • Complete Licensing<br>• Continue implementation | • Review of Year one data<br>• Consideration/planning of additional programming |

# Wrong Day Watering Cases



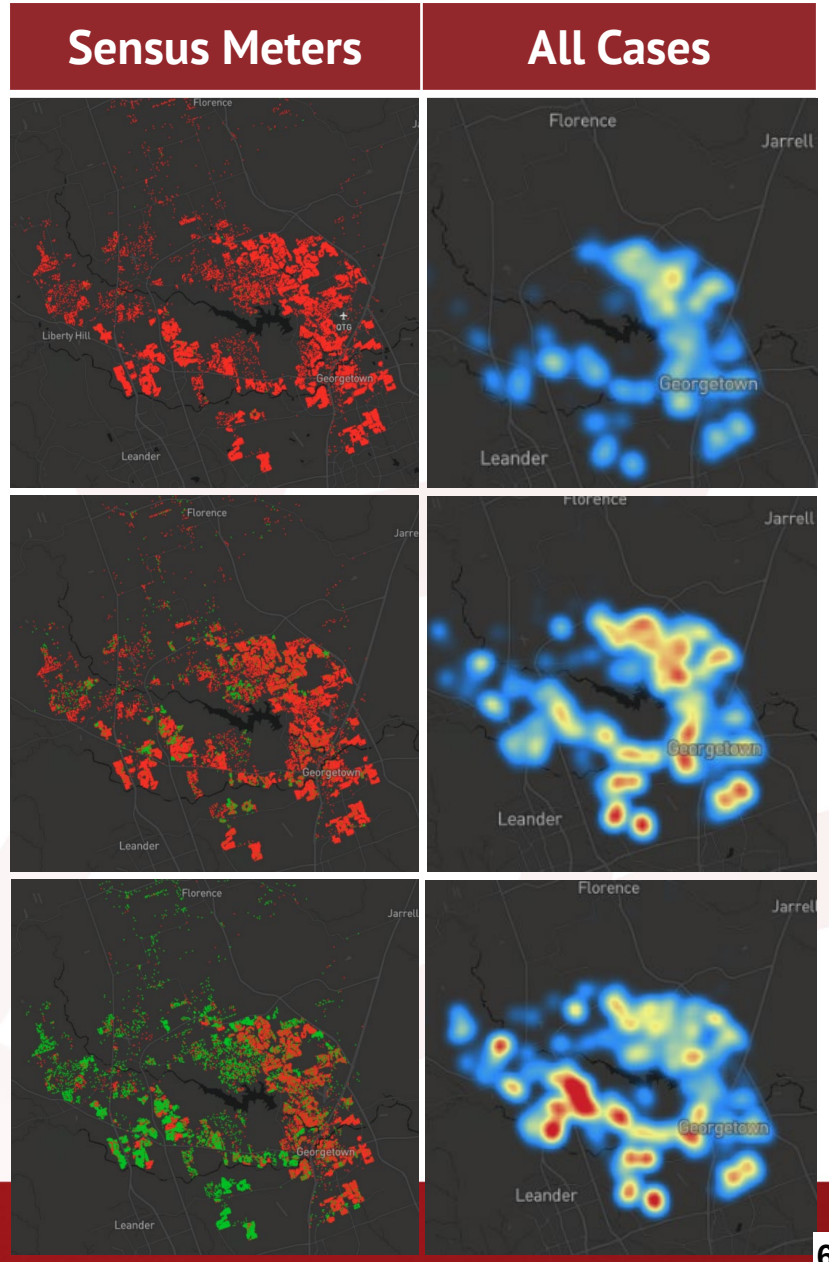

| | Total Cases |
|---|---|
| 2023 | 3,978 |
| 2024 | 13,804 |
| 2025 | 22,015 |

- Repeat violations have not gone up at the same rate as courtesy letters from 2024 to 2025, showing that our efforts are working to change behavior
- Adding more Sensus meters means we are able to catch more violations and hopefully change the behavior of more customers

# Wrong Day Watering Cases

| | Sensus Meters | Total Cases |
|---|---|---|
| 2023 | 311 | 3,978 |
| 2024 | 9,471 | 13,804 |
| 2025 | 36,046 | 22,015 |

- More Sensus Meters installed → More wrong day irrigation detected



# Questions?

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**FY27 Solid Waste Cost of Service Study**

SUGGESTED ACTION:
Presentation and discussion regarding the FY27 Solid Waste Cost of Service Study -- April Haughey, Public Works Assistant Director

ITEM SUMMARY:
Consultant Dave Yanke of NewGen Strategies & Solutions will review the FY27 Stormwater cost of service study.

The proposed rate adjustments for FY2027 are necessary to offset rising operational costs, including a contractual 4% increase from the City's service provider, Texas Disposal Systems (TDS). The proposed adjustments also support compliance with enterprise fiscal policies related to Franchise Fees, Payment in Lieu of Taxes (PILOT), maintenance of a 90-day operating reserve, and establishment of a debt service reserve. The proposed rates will allow the debt service reserve to be fully funded in FY2027.

FINANCIAL IMPACT:
N/A

SUBMITTED BY:
Karen Frost, Public Works

ATTACHMENTS:
Georgetown COS and Rate Design Presentation 6-9-26.pdf

June 9, 2026 | City of Georgetown, TX

# SOLID WASTE COST OF SERVICE AND RATE DESIGN STUDY

NewGen Strategies & Solutions

# AGENDA

1. Methodology
2. Revenue Requirement
3. Revenue Recovery from Current Rates
4. Rate Recommendations
5. Revenue Recovery from Proposed Rates
6. Summary and Recommendations

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# COST OF SERVICE METHODOLOGY

1. Develop the “Test Year”
2. Develop a Revenue Requirement Forecast
3. Allocate Costs to Service Categories
4. Determination of Billing Units
5. Cost of Service Calculation

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# NEW ADDITIONS

### STAFFING

**+2 FTEs**

Two additional full-time employees added during the forecast period — one in FY2028 and one in FY2029.

### AMBASSADOR PROGRAM

**$164,281**

FY2026 budget, up from $99,424 in FY2025 — a 65% year-over-year increase.

### DOWNTOWN ALLEYS

**$250,000**

Budgeted in FY2026 for alley redesign and sustained across the forecast to fund the downtown mobile collection pilot program.

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# WHAT IS THE "REVENUE REQUIREMENT"?

- Indirect Cost Allocations, PILOT, Franchise Fee
- Outstanding Debt
- Operating & Maintenance Expenses (incl. TDS)
- Operating Reserve Contributions
- Less Non-Rate Revenue

=

ANNUAL

**Revenue Requirement**

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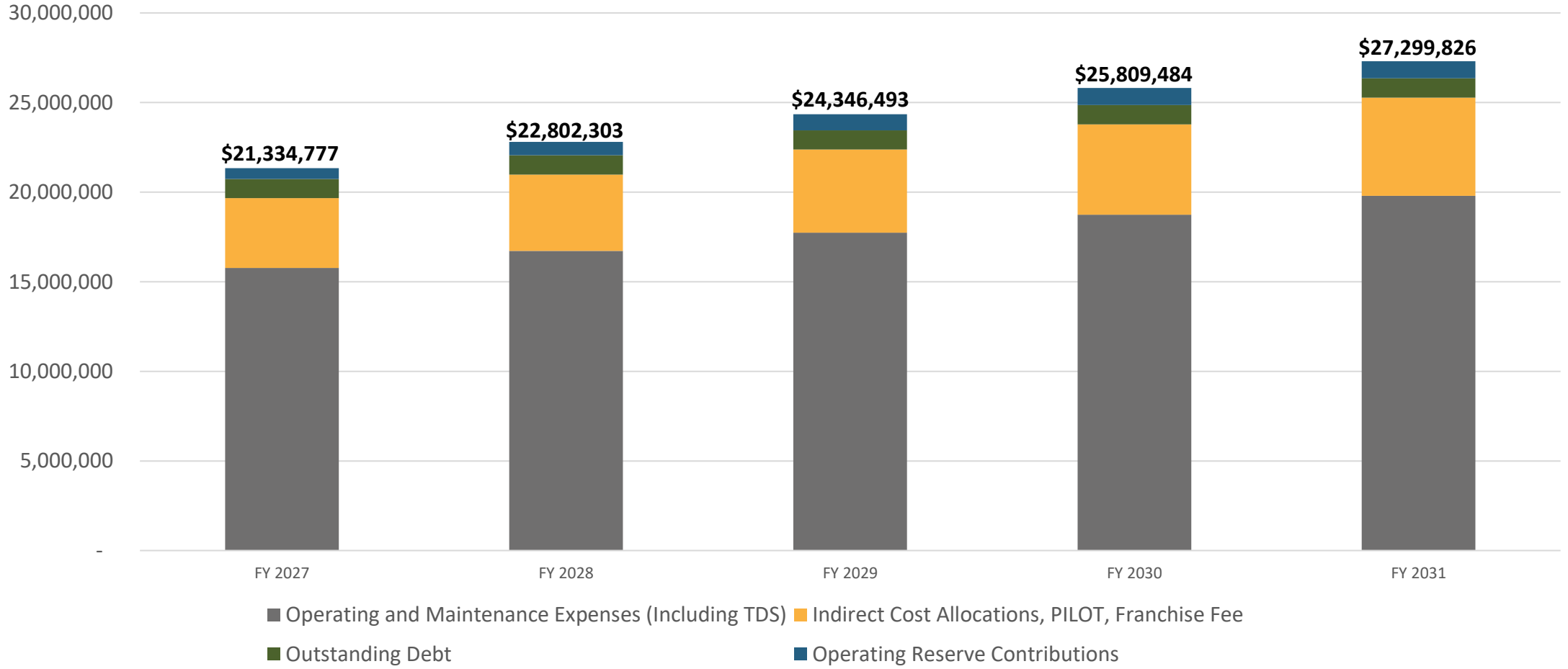
# ANNUAL REVENUE REQUIREMENT SUMMARY




Note: TDS contract accounts for 69% of the Revenue Requirement, and is modeled to increase at the contract max of 4% per year.

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# CURRENT RATES – OVER/(UNDER) RECOVERY

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|---|---|---|---|---|---|
| Total Rate Revenues | $ 20,157,201 | $ 20,494,918 | $ 20,841,078 | $ 21,195,892 | $ 21,559,576 |
| Total Revenue Requirement | $ 21,334,777 | $ 22,802,303 | $ 24,346,493 | $ 25,809,484 | $ 27,299,826 |
| Over/(Under) | $ (1,177,576) | $ (2,307,385) | $ (3,505,415) | $ (4,613,592) | $ (5,740,250) |
| Cumulative Over/(Under) | **$ (1,177,576)** | **$ (3,484,961)** | **$ (6,990,376)** | **$ (11,603,968)** | **$ (17,344,218)** |

Note: PILOT and Franchise Fee are fully funded at 10% in FY2027 – FY2031.

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# RATE RECOMMENDATIONS

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|---|---|---|---|---|---|
| Residential | 5.00% | 5.00% | 4.00% | 3.50% | 3.00% |
| Commercial | 8.00% | 7.00% | 7.00% | 6.50% | 5.00% |
| Downtown Shared Containers[1] | 15.00% | 10.00% | 5.00% | 5.00% | 5.00% |

1) These are the percentages that downtown revenues need to increase and may be impacted by downtown rate structure changes.

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# BILL COMPARISON – SELECT CUSTOMERS

| | Current | FY 2027 |
|---|---|---|
| **Tier I Residential Customer** | | |
| Monthly Bill | $ 24.78 | $ 26.02 |
| $ Change in Monthly Bill | | $ 1.24 |
| | | |
| **Commercial Cart 1X Per Week** | | |
| Monthly Bill | $ 42.02 | $ 45.38 |
| $ Change in Monthly Bill | | $ 3.36 |
| | | |
| **4 CY Dumpster 1X Per Week** | | |
| Monthly Bill | $ 158.07 | $ 170.72 |
| $ Change in Monthly Bill | | $ 12.65 |

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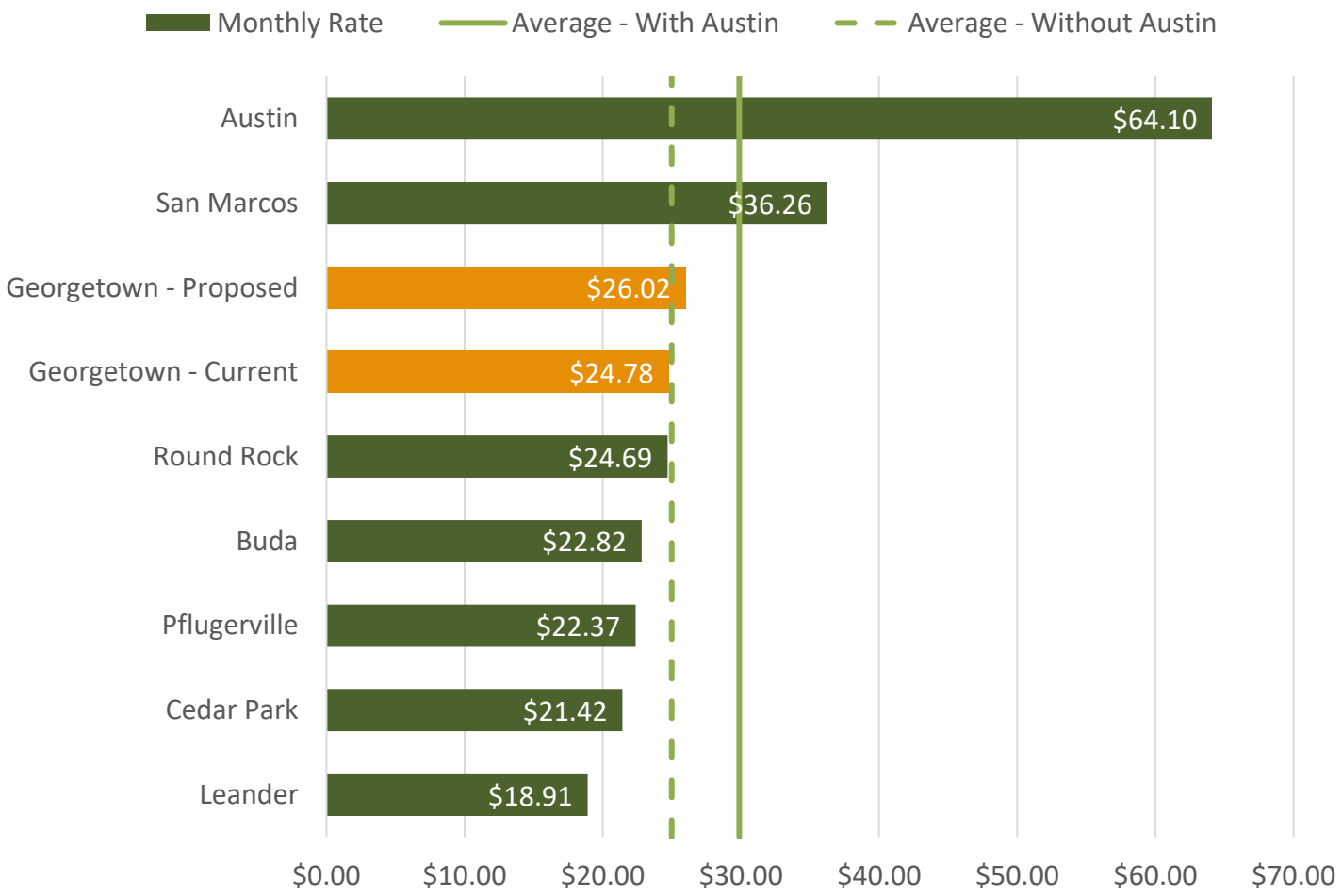
# MONTHLY RESIDENTIAL GARBAGE AND RECYCLING RATE

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# PROPOSED RATES – OVER/(UNDER) RECOVERY

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
|---|---|---|---|---|---|
| Total Revenue | $21,352,923 | $22,837,976 | $24,380,910 | $25,902,412 | $27,310,446 |
| Total Revenue Requirement | $21,334,777 | $22,802,303 | $24,346,493 | $25,809,484 | $27,299,826 |
| Over/(Under) | $ 18,146 | $ 35,673 | $ 34,417 | $ 92,928 | $ 10,620 |
| Cumulative Over/(Under) | **$ 18,146** | **$ 53,820** | **$ 88,237** | **$ 181,165** | **$ 191,785** |

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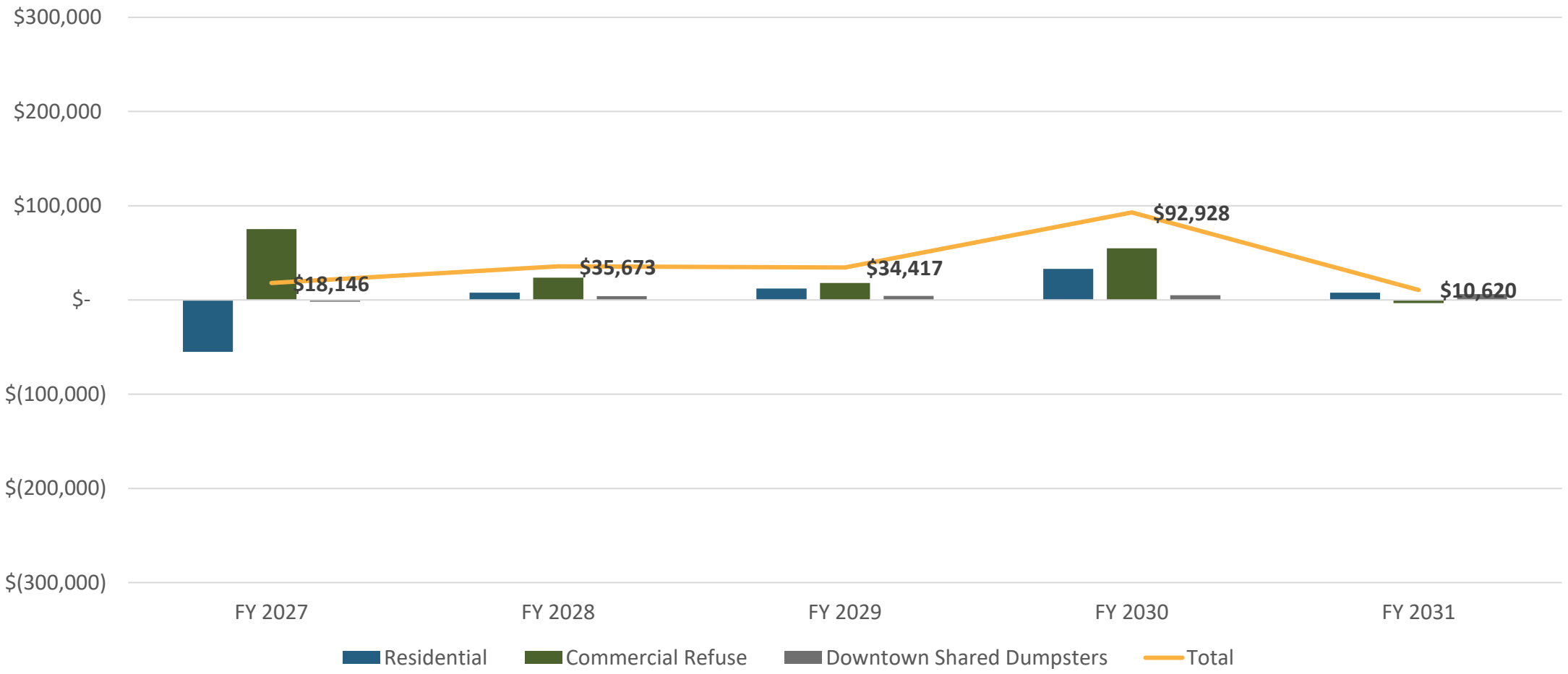
# REVENUE PERFORMANCE BY SERVICE (PROPOSED RATES)

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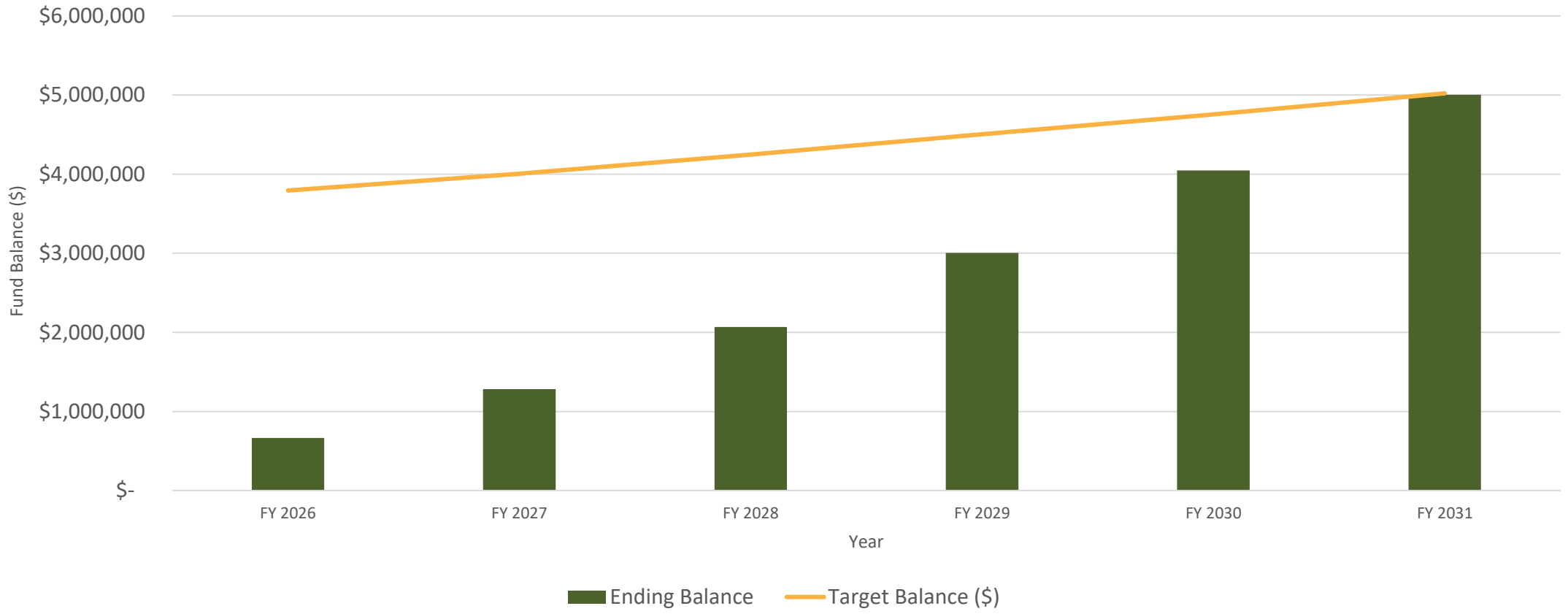
# 90-DAY OPERATING RESERVE (PROPOSED RATES)




Note: The debt service reserve will be fully funded in FY2027 at $1.074M

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# SUMMARY AND RECOMMENDATIONS

- NewGen recommends the following:
  - Implementing the rate increases as proposed for FY2027
  - Evaluate growth and the impact on financial performance each year
  - Once the operating reserve is fully funded in FY2031, there will be reduced pressure on future rate increases

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NewGen Strategies & Solutions

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**2nd Quarterly Financial Report**

SUGGESTED ACTION:
Presentation and discussion regarding the City's 2nd Quarterly Financial Report, which includes the Investment Reports for the City of Georgetown, Georgetown Transportation Enhancement Corporations (GTEC), and the Georgetown Economic Development Corporation (GEDCO) for the quarter ended March 31, 2026 -- Randi Cormack, Budget Manager

ITEM SUMMARY:
The Quarterly Financial Report to Council can be found on ClearGov: https://city-georgetown-tx-cleardoc.cleargov.com/20808/796017/d. An executive summary is included to highlight variances with regards to the preliminary and unaudited revenues, expenses, and an overview of the investment portfolio as of March 31, 2026. For all major funds, the Financial Report shows a comparison of current year to date revenues and expenses compared to the budget, as well as compared to the same quarter in the prior year.

In general, all the City's major funds are in line with budget through the quarter.

FINANCIAL IMPACT:

SUBMITTED BY:
Shawn Gunnin, Finance/Purchasing

ATTACHMENTS:
FY2026 Q2 Presentation - City Council.pdf

# Quarterly Financial Report

# QUARTERLY FINANCIAL REPORT

## AGENDA

- Quarter Background
- General Fund
- Electric Fund
- Water Fund

# QUARTERLY FINANCIAL REPORT

## SECOND QUARTER BACKGROUND

- Budget in this report reflects the CIP Roll Forward and Mid-Year Budget Amendment
- Year-over-year comparisons of FY2025 and FY2026
- Include Q2 actuals to budget comparisons
- Financials are preliminary and unaudited

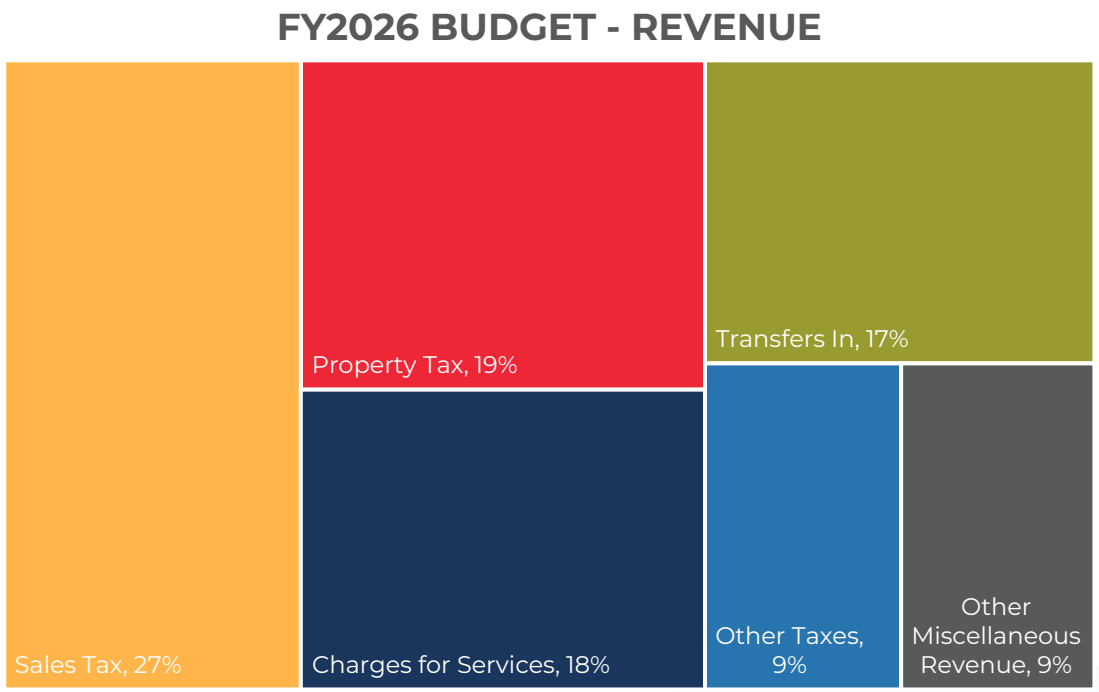
# GENERAL FUND

QUARTERLY FINANCIAL REPORT

GEORGETOWN TEXAS

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND




- Revenue Budget Sources
  - The FY2026 revenue budget for the General Fund is $120.5 million
  - Sales Tax totals 27% of revenues
  - Property Tax totals 19% of revenues
  - Charges for Services total 18% of General Fund revenues
  - Transfers In to the General fund is 17% of budgeted revenues
    - PILOT from city owned utilities is 7% and franchise fees is 3% to match our Fiscal and Budgetary Policy

# QUARTERLY FINANCIAL REPORT

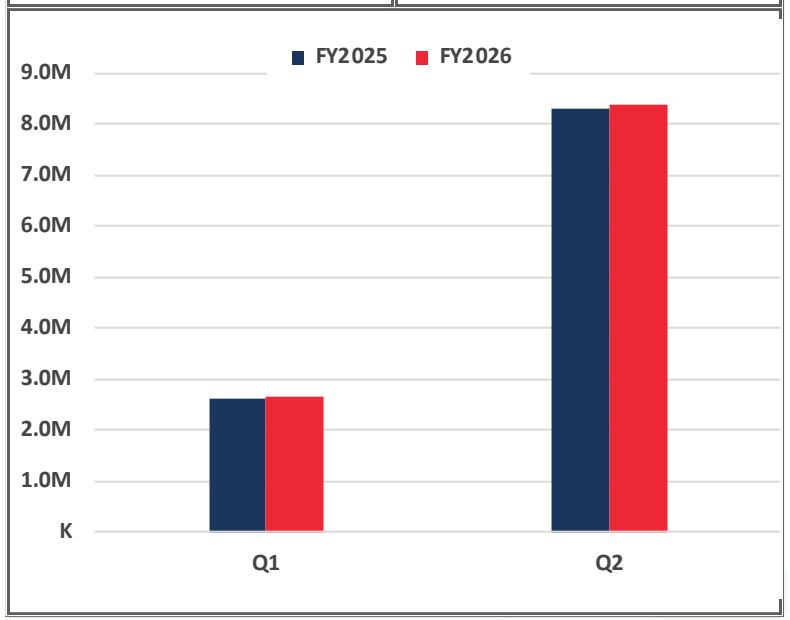
## GENERAL FUND

| General Fund | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Revenue** | | | | | | | |
| 40001:Property Taxes | 23,370,763 | 20,950,785 | 21,467,288 | (1,903,475) | 91.86% | 516,503 | 2.47% |
| 40002:Sales Taxes | 32,774,595 | 10,942,867 | 11,059,031 | (21,715,564) | 33.74% | 116,164 | 1.06% |
| 40005:Franchise Taxes | 10,468,575 | 3,724,578 | 5,369,767 | (5,098,808) | 51.29% | 1,645,190 | 44.17% |
| 40008:Other Taxes | 750,000 | 471,693 | 479,830 | (270,170) | 63.98% | 8,137 | 1.73% |
| 41001:Fines | 638,575 | 362,716 | 276,002 | (362,573) | 43.22% | (86,715) | -23.91% |
| 42001:Interest Income | 1,782,000 | 977,976 | 701,934 | (1,080,066) | 39.39% | (276,043) | -28.23% |
| 43001:Fees | 12,554,266 | 5,426,159 | 5,286,596 | (7,267,670) | 42.11% | (139,562) | -2.57% |
| 43003:Permits | 4,825,000 | 2,395,937 | 2,220,817 | (2,604,183) | 46.03% | (175,120) | -7.31% |
| 43004:Administrative Charges | 3,860,492 | 1,113,226 | 1,930,245 | (1,930,247) | 50.00% | 817,020 | 73.39% |
| 43005:Rental Revenue | 58,846 | 34,468 | 38,266 | (20,580) | 65.03% | 3,798 | 11.02% |
| 45001:Misc Revenue | 413,371 | 117,901 | 172,556 | (240,815) | 41.74% | 54,655 | 46.36% |
| 45002:Insurance Proceeds | - | - | - | - | 0.00% | - | 0.00% |
| 45003:Misc Reimbursements | 6,180 | 4,375 | 26,955 | 20,775 | 436.17% | 22,580 | 516.15% |
| 45004:Sale of Property | - | 3,561 | 7,757 | 7,757 | 0.00% | 4,197 | 117.86% |
| 44001:Grant Revenue | - | 57,568 | 108,647 | 108,647 | 0.00% | 51,079 | 88.73% |
| 44501:Contribution Revenue | - | - | 1,009 | 1,009 | 0.00% | 1,009 | 0.00% |
| 44502:Developer Contributions | 400,000 | 607,303 | 1,001,404 | 601,404 | 250.35% | 394,101 | 64.89% |
| 44503:Interlocal Agreement Revenue | 7,833,534 | 2,955,829 | 3,615,801 | (4,217,733) | 46.16% | 659,973 | 22.33% |
| 44504:Donations | - | 835 | 1,214 | 1,214 | 0.00% | 379 | 45.38% |
| 44505:Sponsorship | 3,000 | - | - | (3,000) | 0.00% | - | 0.00% |
| 70001:Transfers In | 1,466,584 | 2,342,455 | 1,053,282 | (413,302) | 71.82% | (1,289,173) | -55.04% |
| 70002:Transfers In - Payment in Lieu of Ta | 19,253,673 | 7,077,105 | 8,733,408 | (10,520,264) | 45.36% | 1,656,303 | 23.40% |
| **Revenue Total** | **120,459,454** | **59,567,335** | **63,551,811** | **(56,907,643)** | **52.76%** | **3,984,475** | **6.69%** |

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| SALES TAX | |
|---|---|
| 1.06% | 11,059,031 |

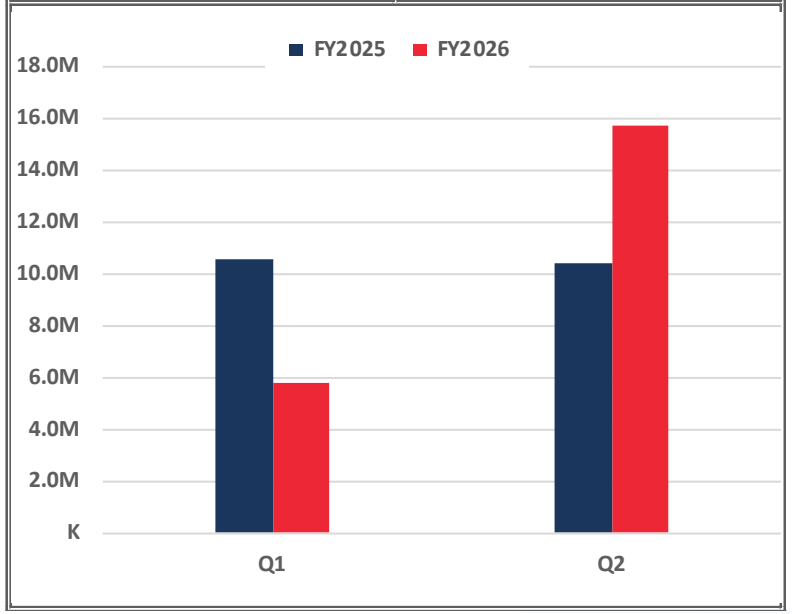



- Sales Tax
  - 27% of budgeted General Fund revenue
  - Sales tax revenue is up 1.06% compared to the same period of FY2025
  - Staff are monitoring sales tax revenues closely

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| PROPERTY TAX | |
|---|---|
| 2.47% | 21,467,288 |

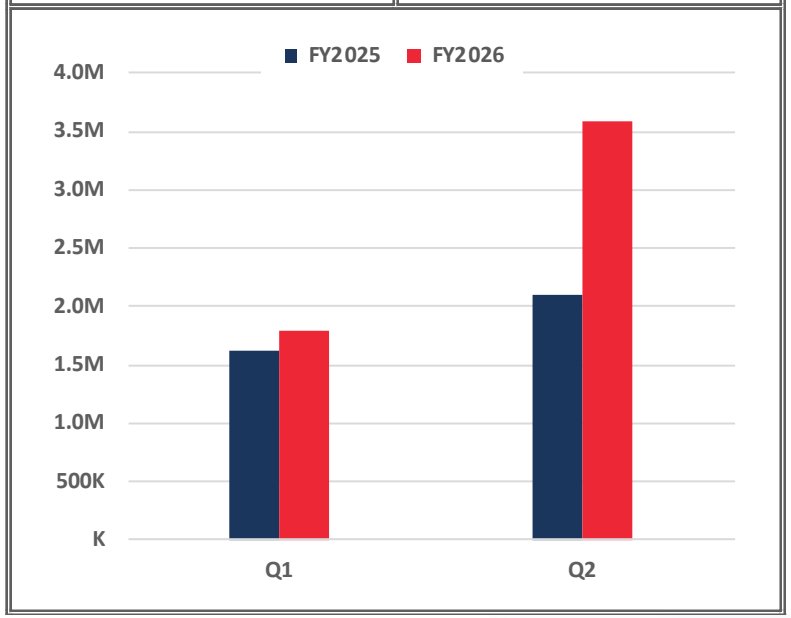



- Property Tax
  - 19% of budgeted General Fund revenue
  - Property tax revenue is up 2.47% compared to the same period of FY2025
    - Timing of payment from third-party vendor that submits property tax payments on behalf of mortgage lenders

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| FRANCHISE FEES | |
|---|---|
| 44.17% | 5,369,767 |

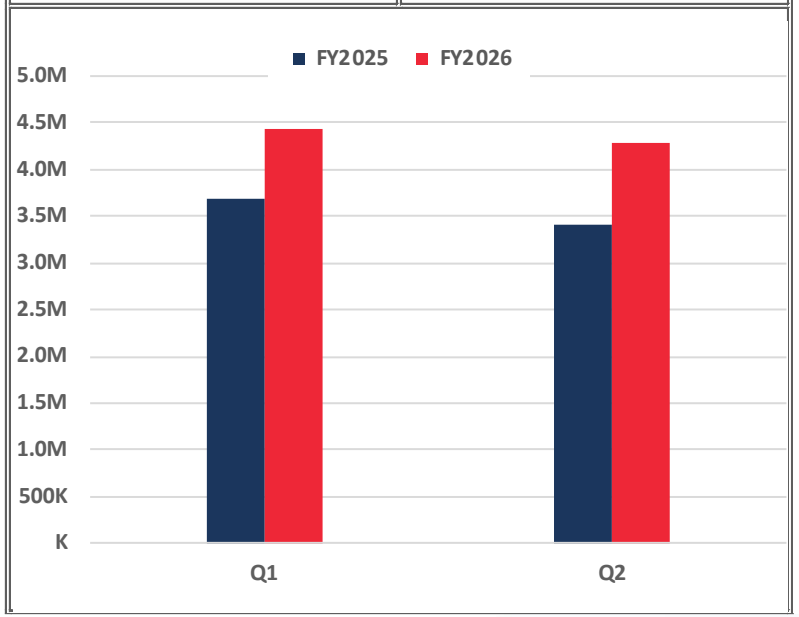



- Franchise Fees
  - 8.7% of budgeted General Fund revenue
  - $5.4 million or 51.3% of franchise fees budget received through the quarter
  - Franchise fees revenue is up 44.2% compared to the same period of FY2025
    - Electric
    - Water
    - Garbage
    - Gas
      - In FY25 Franchise – Gas was received in July

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

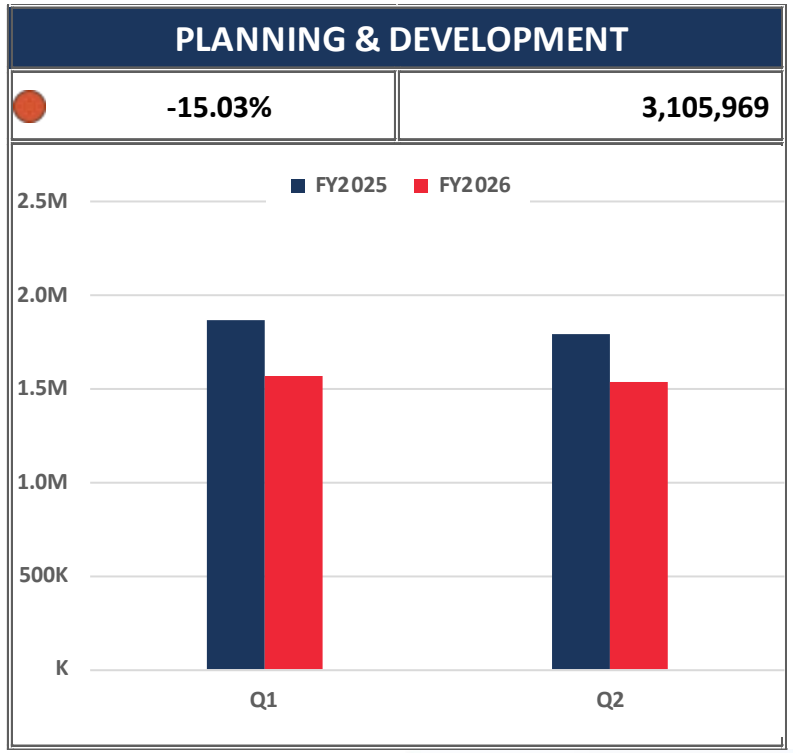
| PILOT | |
|---|---|
| 23.40% | 8,733,408 |




- PILOT
  - 16% of budgeted General Fund revenue
  - $8.7 million or 45% of PILOT budget received through the quarter
  - PILOT revenue is up 23.4% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

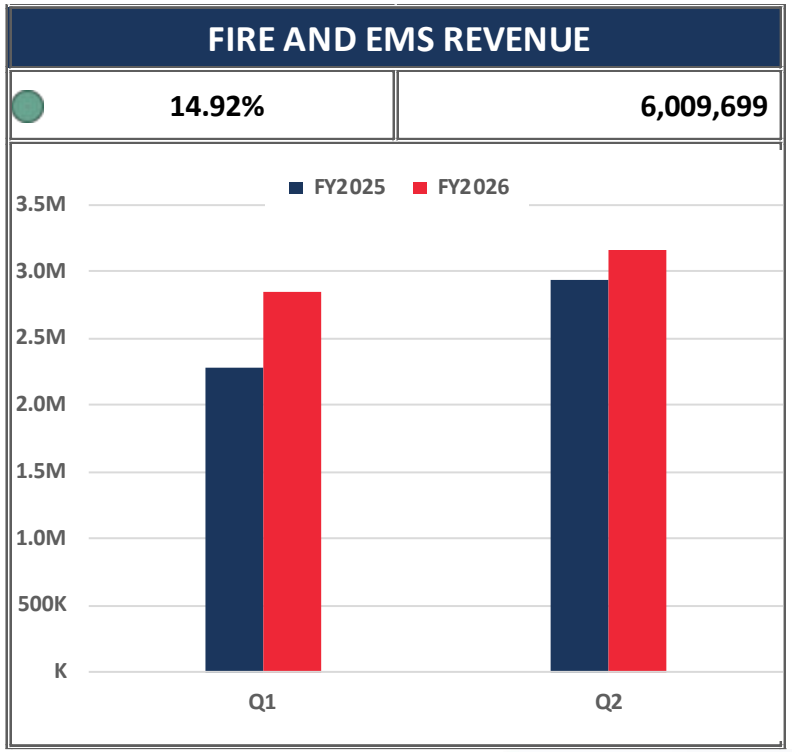
## GENERAL FUND




- Planning & Development Revenue
  - 6.1% of budgeted General Fund revenue
  - $3.1 million or 42% of planning and development budget received through the quarter
  - Planning and development revenue is down 15% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

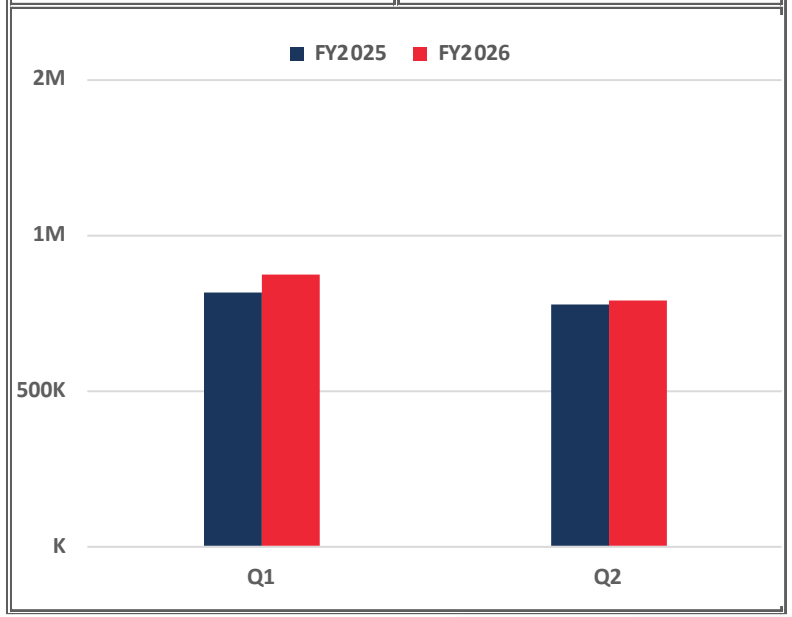



- Fire and EMS Revenue
  - 10.2% of budgeted General Fund revenue
  - $6 million or 48.7% of fire and EMS revenue budget received through the quarter
  - Fire and EMS revenue is up 14.9% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

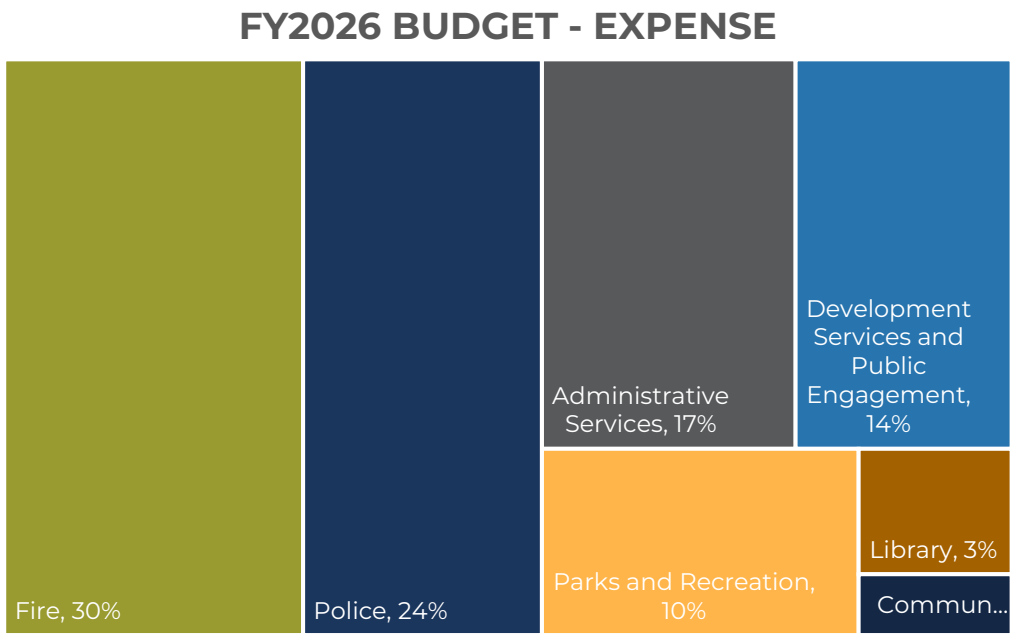
| PARKS & RECREATION | |
|---|---|
| 4.66% | 1,667,705 |




- Parks & Recreation
  - 3.6% of budgeted General Fund revenue
  - $1.7 million or 39% of Parks and Recreation fees budget received through the quarter
  - Parks and Recreation fees revenue is up 4.7% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND




- Expense Budget Sources
  - The FY2026 expense budget for the General Fund is $126.4 million
  - 54% of the General Fund budgeted expense is for public safety. This includes $37.5 million for Fire and $29.9 million for Police Operations
  - Public Works is 6%, or $7.7 million
    - Public Works
    - Streets
    - Transportation Planning
  - Parks and Recreation totals 10%

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| General Fund | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % Of Budget | Variance | % Variance |
| **Expense** | | | | | | | |
| Personnel | 74,741,369 | 33,691,554 | 37,228,217 | 37,513,152 | 49.81% | (3,536,664) | 10.50% |
| Operations | 46,175,014 | 23,336,699 | 23,780,742 | 22,394,273 | 51.50% | (444,043) | 1.90% |
| Operating Capital | 820,443 | 350,089 | 402,769 | 417,674 | 49.09% | (52,680) | 15.05% |
| Transfers | 4,634,705 | 2,563,750 | 2,720,340 | 1,914,365 | 58.69% | (156,590) | 6.11% |
| **Total Expense** | **126,371,532** | **59,942,092** | **64,132,069** | **62,239,463** | **50.75%** | **(4,189,977)** | **6.99%** |

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

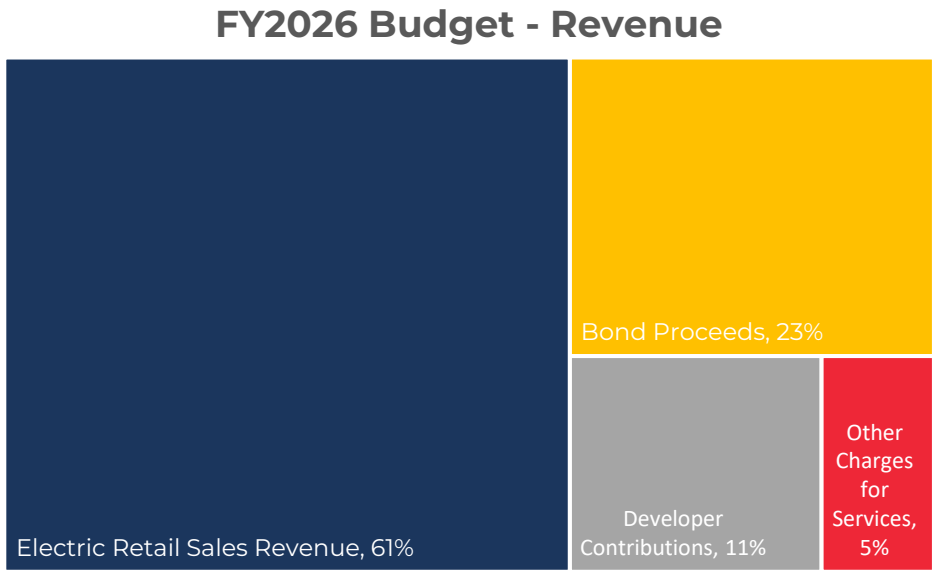
- Personnel
  - 59.1% of budgeted General Fund expenses
  - $37.2 million, or 49.8% personnel expense through the quarter
  - Personnel is up 10.5% compared to the same period of FY2025
- Operations
  - 36.5% of budgeted General Fund expenses
  - $23.8 million, or 51.5% operations expense through the quarter
  - Operations is up 1.9% compared to the same period of FY2025
- Year-over-year increases expected because of additional base budget and newly funded requests in FY2026; both one-time and ongoing

# ELECTRIC FUND

QUARTERLY FINANCIAL REPORT

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND




- Revenue Budget Sources
  - The FY2026 revenue budget for the Electric Fund is $195.7 million
  - Electric Sales revenue makes up 61% of budgeted revenues
  - Bond Proceeds are 23% of budgeted revenues
  - Developer Contributions budgeted at 11% of total revenue

# QUARTERLY FINANCIAL REPORT

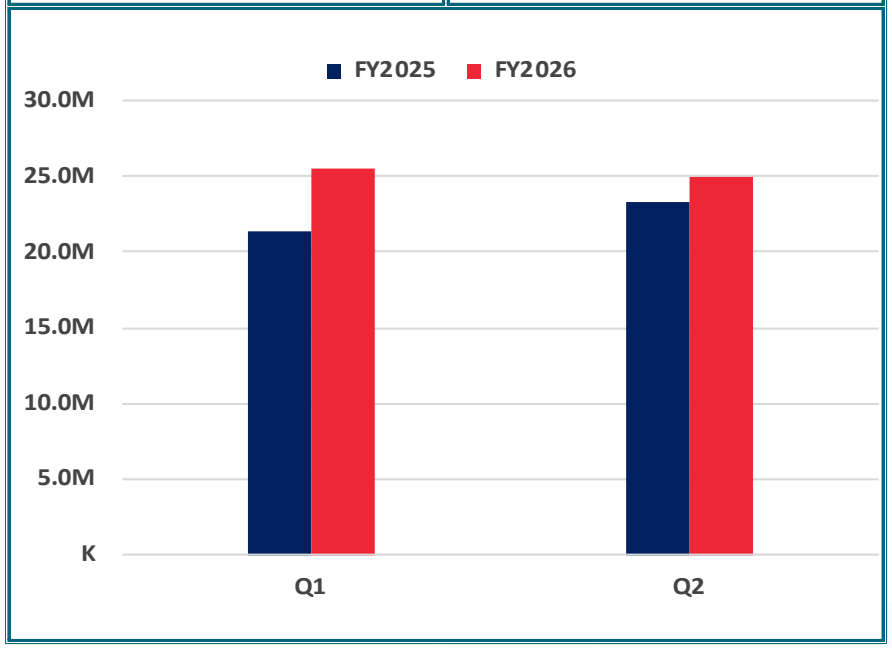
## ELECTRIC FUND

| Electric Services | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Revenue** | | | | | | | |
| 40002:Sales Taxes | 7,500 | 4,666 | 6,268 | (1,232) | 83.57% | 1,602 | 34.34% |
| 41002:Penalties | 887,250 | 476,019 | 441,616 | (445,634) | 49.77% | (34,404) | -7.23% |
| 42001:Interest Income | 3,428,250 | 1,441,843 | 1,559,184 | (1,869,066) | 45.48% | 117,341 | 8.14% |
| 43001:Fees | 4,680,755 | 1,628,110 | 1,571,622 | (3,109,133) | 33.58% | (56,487) | -3.47% |
| 43004:Administrative Charges | 899,883 | 1,618,424 | 449,942 | (449,942) | 50.00% | (1,168,482) | -72.20% |
| 43601:Electric Retail Sales Revenue | 119,081,461 | 44,707,700 | 50,494,701 | (68,586,760) | 42.40% | 5,787,002 | 12.94% |
| 44502:Developer Contributions | 22,253,969 | 7,765,643 | 19,389,093 | (2,864,876) | 87.13% | 11,623,450 | 149.68% |
| **Operating Revenue Total** | **151,239,068** | **57,642,404** | **73,912,426** | **(77,326,642)** | **48.87%** | **16,270,022** | **28.23%** |
| **Non-Operating Revenue** | | | | | | | |
| 45001:Misc Revenue | 2,991 | 2,685 | 27,624 | 24,633 | 923.57% | 24,939 | 928.95% |
| 45003:Misc Reimbursements | - | - | 1,388 | 1,388 | 0.00% | 1,388 | 0.00% |
| 45004:Sale of Property | 7,174 | 6,823 | 31,618 | 24,444 | 440.73% | 24,795 | 363.38% |
| 44001:Grant Revenue | - | - | (336,929) | (336,929) | 0.00% | (336,929) | 0.00% |
| 46001:Bond Proceeds | 44,540,225 | - | - | (44,540,225) | 0.00% | - | 0.00% |
| **Non-Operating Revenue Total** | **44,550,390** | **9,508** | **(276,299)** | **(44,826,689)** | **-0.62%** | **(285,807)** | **-3005.96%** |
| **Revenue Total** | **195,789,458** | **57,651,912** | **73,636,127** | **(122,153,331)** | **37.61%** | **15,984,215** | **27.73%** |

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

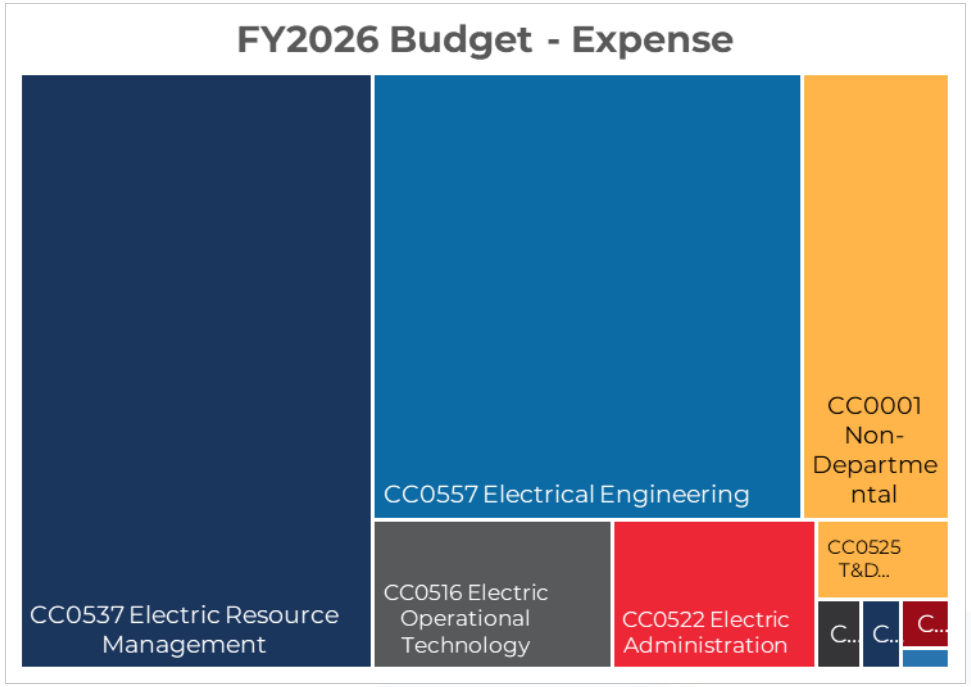
| ELECTRIC RETAIL SALES REVENUE | |
|---|---|
| 12.94% | 50,494,701 |




- Electric Sales Revenue
  - Represents 79% of budgeted Electric Fund operating revenue
  - $50.4 million, or 42.4% of electric sales revenue budget received through the quarter
  - Electric sales revenue is up 12.94% compared to the same period of FY2025

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND




- Expense Budget
  - The FY2026 expense budget for the Electric Fund is $214.2 million
  - 37% of budgeted expenses is from purchase power related expenses
  - Electrical Engineering is 34% of budget
    - CIP Expense
  - Non-departmental totals 11% of budget
    - PILOT
    - Debt Service
    - Transfers

# QUARTERLY FINANCIAL REPORT

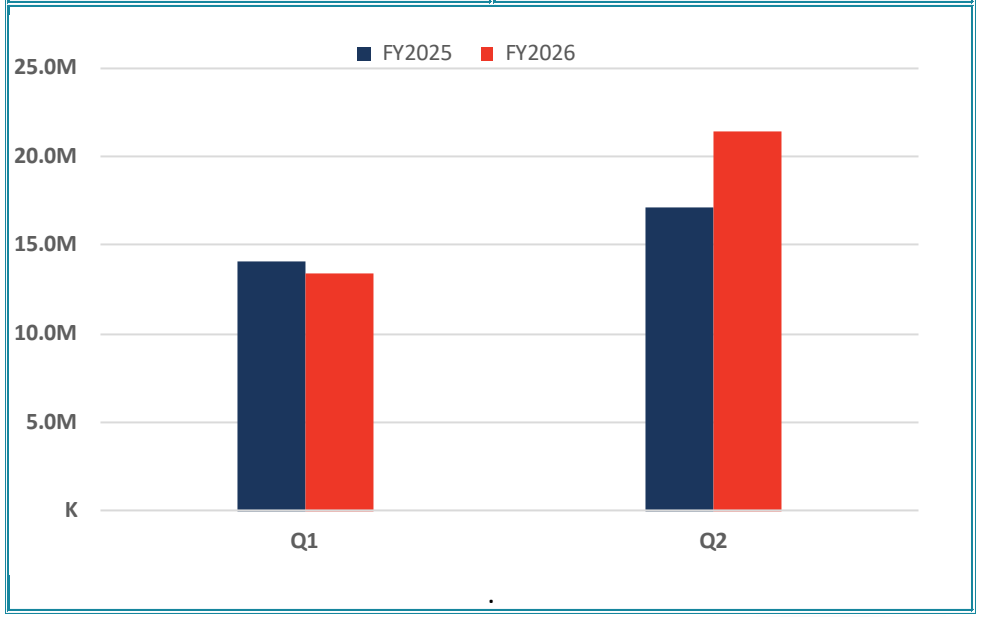
## ELECTRIC FUND

| Electric Services | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 600,000 | 318,426 | 208,463 | 391,537 | 34.74% | 109,963 | -34.53% |
| CC0516 Electric Operational Technology | 1,133,695 | 525,378 | 393,299 | 740,396 | 34.69% | 132,079 | -25.14% |
| CC0520 Customer Energy Solutions | 1,056,059 | 207,947 | 780,486 | 275,574 | 73.91% | (572,538) | 275.33% |
| CC0521 Operational Technology | 1,205,802 | 680,376 | 664,540 | 541,261 | 55.11% | 15,836 | -2.33% |
| CC0522 Electric Administration | 11,534,645 | 5,349,406 | 5,604,884 | 5,929,761 | 48.59% | (255,479) | 4.78% |
| CC0523 Electric Safety and Employee Development | 377,984 | 220,730 | 204,333 | 173,651 | 54.06% | 16,396 | -7.43% |
| CC0525 T&D Services | 3,961,838 | 4,073,944 | 2,570,119 | 1,391,719 | 64.87% | 1,503,825 | -36.91% |
| CC0534 Conservation | - | 381 | - | - | 0.00% | 381 | -100.00% |
| CC0537 Electric Resource Management | 81,380,981 | 32,136,655 | 35,390,984 | 45,989,997 | 43.49% | (3,254,329) | 10.13% |
| CC0555 Electric Systems Operations | 942,603 | 1,465,779 | 613,965 | 328,639 | 65.14% | 851,814 | -58.11% |
| CC0557 Electrical Engineering | 1,845,999 | 1,307,905 | 1,643,402 | 202,597 | 89.03% | (335,497) | 25.65% |
| **Operating Expense Total** | **104,039,606** | **46,048,141** | **50,023,962** | **54,015,644** | **48.08%** | **(3,975,820)** | **8.63%** |
| **Non-Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 25,012,088 | 5,179,526 | 7,749,335 | 17,262,753 | 30.98% | (2,569,810) | 49.61% |
| CC0516 Electric Operational Technology | 12,659,511 | 525,378 | 1,503,677 | 11,155,835 | 11.88% | (978,299) | 186.21% |
| CC0520 Customer Energy Solutions | - | | - | - | 0.00% | - | 0.00% |
| CC0521 Operational Technology | 4,825 | 55,000 | - | 4,825 | 0.00% | 55,000 | -100.00% |
| CC0522 Electric Administration | 212,020 | 132,150 | 93,205 | 118,815 | 43.96% | 38,945 | -29.47% |
| CC0525 T&D Services | 164,272 | 389,530 | 46,261 | 118,011 | 28.16% | 343,269 | -88.12% |
| CC0555 Electric Systems Operations | 4,100 | 63,750 | 4,100 | - | 100.00% | 59,650 | -93.57% |
| CC0557 Electrical Engineering | 72,166,138 | 9,871,078 | 20,445,293 | 51,720,845 | 28.33% | (10,574,215) | 107.12% |
| **Non-Operating Expense Total** | **110,222,954** | **15,938,534** | **29,841,872** | **80,381,083** | **27.07%** | **(13,903,338)** | **87.23%** |
| **Expense Total** | **214,262,560** | **61,986,675** | **79,865,833** | **134,396,727** | **37.27%** | **(17,879,158)** | **28.84%** |

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

| NET PURCHASED POWER | |
|---|---|
| 11.71% | 34,828,403 |




- Purchased Power
  - 69.6% of Electric Fund operating expenses through the quarter
  - $34.8 million, or 42.9% of purchase power expense budget through the quarter
  - Purchase power is up 11.71% compared to the same period of FY2025

# QUARTERLY FINANCIAL REPORT

ELECTRIC FUND

## Year-to-date Quarterly Net Purchase Power Comparison

- Q1: FY2025
  - Net Purchase Power Budget: $84,739,578
  - Purchased Power: $31,447,107
  - REC Sales: ($661,600)
  - CRR Credits: $390,850
  - Net Purchased Power: $31,176,358
  - % of Net Purchase Power Budget: 36.7%
- Q1: FY2026
  - Net Purchase Power Budget: $81,048,773
  - Purchased Power: $34,320,221
  - REC Sales: ($210,000)
  - CRR Credits: $718,182
  - Net Purchased Power: $34,828,403
  - % of Net Purchase Power Budget: 42.9%

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

- Slower than anticipated ramp-up of very large load customers is affecting Electric sales revenue and has an offset to purchase power expenses. Electric's budget was updated at the mid-year amendment to align with latest projections.
- Administrative Charges have decreased compared to the prior year due to the re-organization of the Water and Electric Operational Technology and the Water and Electric Control Center teams. The teams split into separate units for each utility.
- There was a 2% rate increase, and a higher revenue per MWH due to the rate ramping for VLC&I.
- CC0525 T&D Services and CC05557 Electrical Engineering
    - Capitalization of labor to CIP (Year-end entry)
    - Personnel expenses look inflated and capital expenses deflated. The year-end entry will reflect on the balances sheet but not on the budget schedule
- Meet all reserve requirements for FY2026

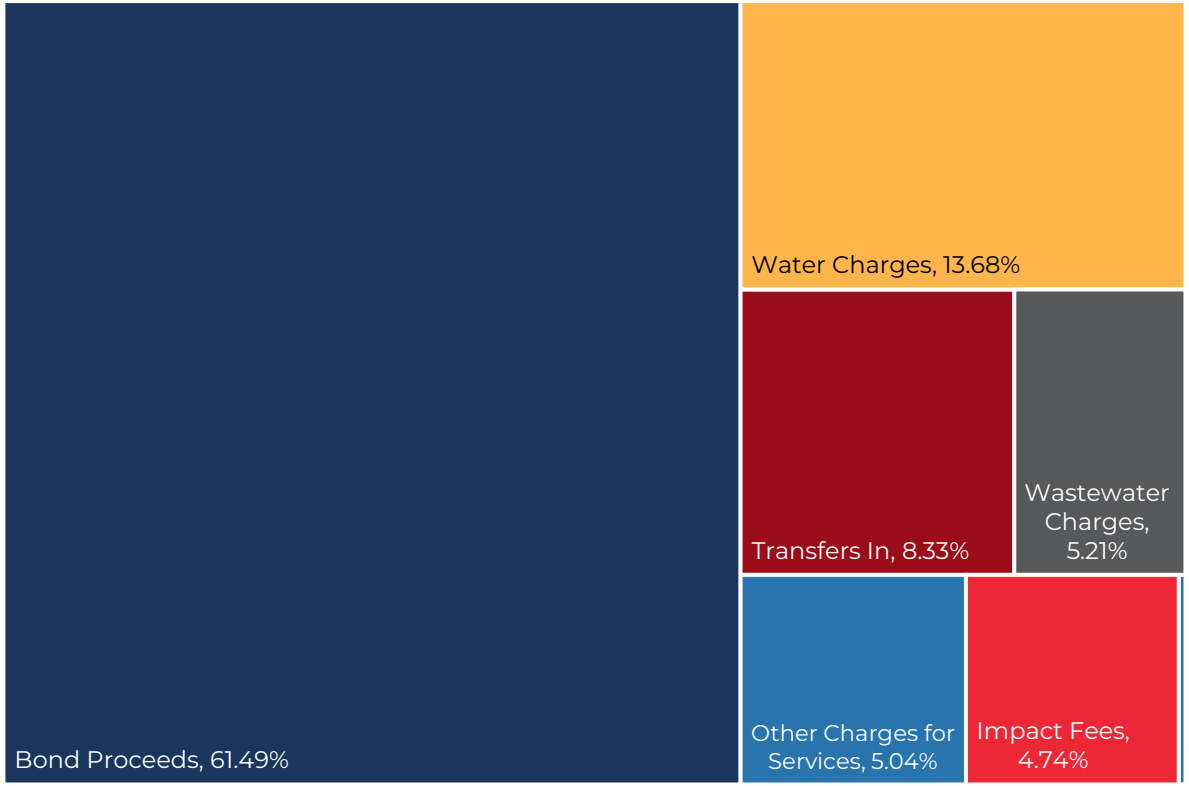
# WATER FUND

QUARTERLY FINANCIAL REPORT

# QUARTERLY FINANCIAL REPORT

## WATER FUND

FY2026 Budget - Revenue




- Revenue Budget Sources
  - The FY2026 revenue budget for the Water Fund is $732.7 million
  - 61.5% of budgeted revenues is from bond proceeds
    - Capital infrastructure for treatment and distribution
  - Water Charges
    - Water 13.7%
    - Wastewater 5.2%
    - Irrigation $1.1 million
  - Impact fees total 4.7% of budgeted revenues

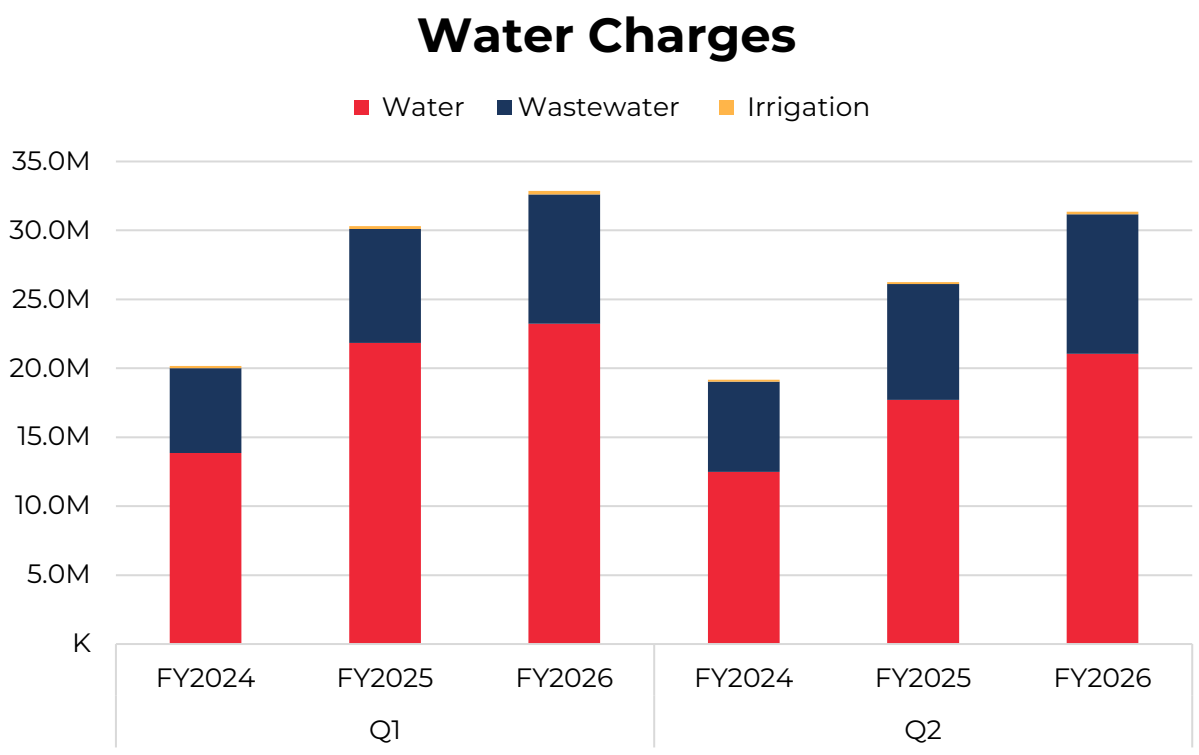
# QUARTERLY FINANCIAL REPORT

## WATER FUND

| Water | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Revenue** | | | | | | | |
| 41002:Penalties | 850,000 | 592,578 | 1,062,344 | 212,344 | 124.98% | 469,766 | 79.27% |
| 42001:Interest Income | 26,581,883 | 12,095,596 | 9,330,298 | (17,251,585) | 35.10% | (2,765,297) | -22.86% |
| 43001:Fees | 6,502,911 | 3,274,298 | 3,218,716 | (3,284,195) | 49.50% | (55,583) | -1.70% |
| 43005:Rental Revenue | 25,000 | 12,593 | 12,593 | (12,407) | 50.37% | - | 0.00% |
| 43602:Water Charges | 100,231,801 | 39,553,324 | 44,267,404 | (55,964,397) | 44.17% | 4,714,081 | 11.92% |
| 43603:Wastewater Charges | 38,172,490 | 16,666,536 | 19,502,427 | (18,670,063) | 51.09% | 2,835,890 | 17.02% |
| 43604:Irrigation Charges | 1,121,315 | 332,761 | 443,760 | (677,555) | 39.57% | 110,999 | 33.36% |
| 41602:Impact Fees | 34,730,106 | 23,954,820 | 18,323,619 | (16,406,487) | 52.76% | (5,631,201) | -23.51% |
| 44502:Developer Contributions | 535,000 | 74,956 | 133,850 | (401,150) | 25.02% | 58,894 | 78.57% |
| **Operating Revenue Total** | **208,750,506** | **96,557,462** | **96,295,010** | **(112,455,496)** | **46.13%** | **(262,452)** | **-0.27%** |
| **Non-Operating Revenue** | | | | | | | |
| 45001:Misc Revenue | 2,396,488 | 1,014,017 | 181,283 | (2,215,205) | 7.56% | (832,734) | -82.12% |
| 45002:Insurance Proceeds | - | 60,711 | - | - | 0.00% | (60,711) | -100.00% |
| 45003:Misc Reimbursements | - | - | 630,282 | 630,282 | 0.00% | 630,282 | 0.00% |
| 45004:Sale of Property | - | - | 38,700 | 38,700 | 0.00% | 38,700 | 0.00% |
| 44001:Grant Revenue | 10,000,000 | - | 2,896,547 | (7,103,453) | 28.97% | 2,896,547 | 0.00% |
| 70001:Transfers In | 61,000,000 | 1,234,065 | 4,867,013 | (56,132,987) | 7.98% | 3,632,947 | 294.39% |
| 46001:Bond Proceeds | 450,544,407 | - | - | (450,544,407) | 0.00% | - | 0.00% |
| **Non-Operating Revenue Total** | **523,940,895** | **2,308,793** | **8,613,824** | **(515,327,071)** | **1.64%** | **6,305,031** | **273.09%** |
| **Revenue Total** | **732,691,401** | **98,866,255** | **104,908,834** | **(627,782,567)** | **14.32%** | **6,042,579** | **6.11%** |

# QUARTERLY FINANCIAL REPORT

## WATER FUND




- Water Charges
  - Water charges through the quarter total $44.3 million
  - Up 11.9% compared to Q2 of FY2025
- Wastewater Charges
  - Wastewater charges through the quarter total $19.5 million
  - Up 17% compared to Q2 of FY2025
- Irrigation Charges
  - Irrigation charges through the quarter total $443.8 thousand
  - An increase of 33.4% compared to Q2 of FY2025

# QUARTERLY FINANCIAL REPORT

## WATER FUND

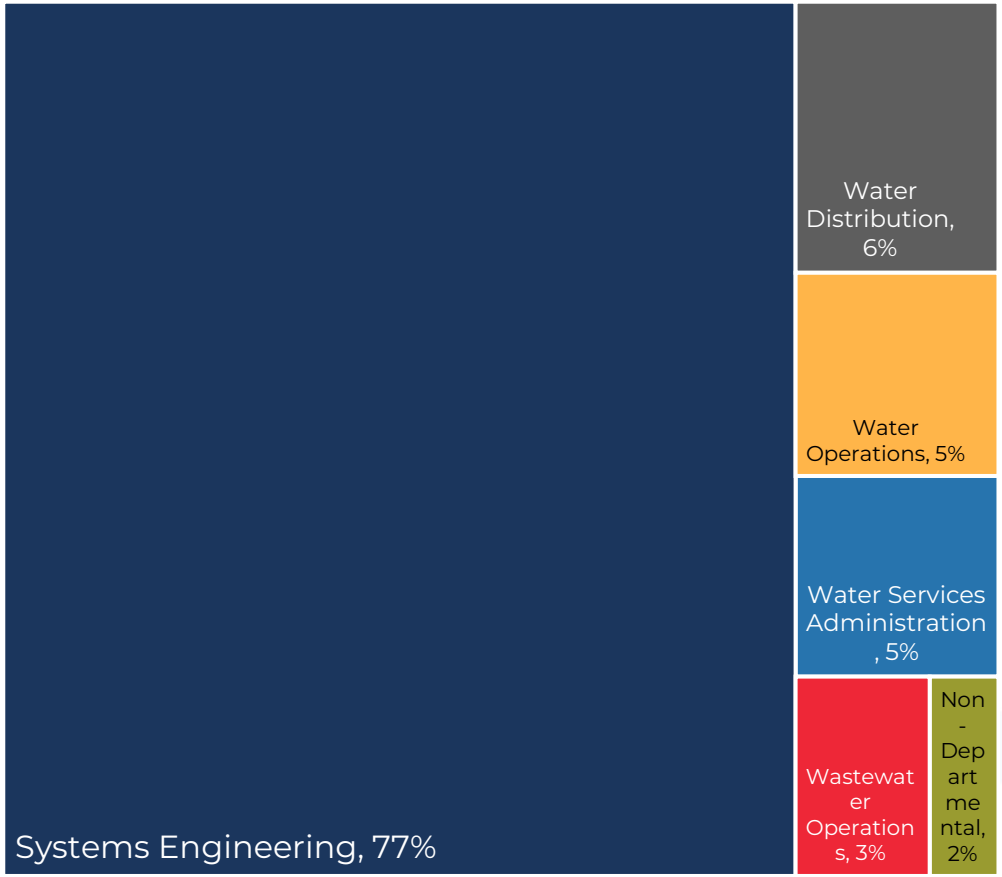
Impact Fee Revenues

- Water and wastewater impact fees are payments from developers to contribute towards capital infrastructure costs
- The fee revenue is used for both cash and debt service payments on eligible capital projects
- Water and wastewater impact fee revenue collection is lower in FY2026 compared to FY2025 largely due to timing of projects; and are conservatively modeled in cost of service and the 5-year forecast
- Staff keep the impact fees separate until they are reconciled at year-end and are ready to be used on active capital projects the following year
    - The fees are then transferred within the water fund mid-year
    - These are shown in the Transfers In revenue
    - There is a corresponding Transfers Out expense in the Water Distribution and Wastewater Operations cost centers

# QUARTERLY FINANCIAL REPORT

## WATER FUND

FY2026 Budget - Expense




- Expense Budget
  - The FY2025 expense budget for the Water Fund is $1.02 billion
  - 77% of budgeted expenses is from CIP Expense for various capital projects (includes roll forward)
  - Water Distribution 6%
  - Water Operations
    - Water 4.6%
    - Wastewater 3%

# QUARTERLY FINANCIAL REPORT

## WATER FUND

| Water Services Financial Report | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 625,000 | 311,070 | 171,543 | 453,457 | 27.45% | 139,527 | -44.85% |
| CC0514 Water Operational Technology | 1,845,139 | 280,016 | 774,610 | 1,070,529 | 41.98% | (494,595) | 176.63% |
| CC0524 Metering Services | 3,782,380 | 978,505 | 1,115,100 | 2,667,281 | 29.48% | (136,595) | 13.96% |
| CC0526 Systems Engineering | - | - | 2,073 | (2,073) | 0.00% | (2,073) | 0.00% |
| CC0527 Water Services Administration | 43,759,305 | 29,412,332 | 28,477,238 | 15,282,068 | 65.08% | 935,094 | -3.18% |
| CC0528 Water Distribution | 11,281,565 | 3,053,604 | 3,937,732 | 7,343,834 | 34.90% | (884,127) | 28.95% |
| CC0529 Water Plant Management | 9,682,282 | 3,813,431 | 4,492,976 | 5,189,305 | 46.40% | (679,545) | 17.82% |
| CC0530 Wastewater Operations | 5,498,253 | 1,962,456 | 2,122,610 | 3,375,643 | 38.61% | (160,154) | 8.16% |
| CC0531 Wastewater Plant Management | 10,483,755 | 6,260,873 | 5,950,470 | 4,533,285 | 56.76% | 310,402 | -4.96% |
| CC0532 Irrigation Operations | 589,171 | 413,637 | 316,233 | 272,938 | 53.67% | 97,404 | -23.55% |
| CC0535 Water Conservation | 2,483,321 | 527,203 | 652,527 | 1,830,794 | 26.28% | (125,324) | 23.77% |
| CC0539 Regulatory Compliance | 1,340,556 | 205,268 | 526,916 | 813,641 | 39.31% | (321,648) | 156.70% |
| CC0553 Water Operations | 99,451 | 460,195 | 199,365 | (99,914) | 200.47% | 260,830 | -56.68% |
| CC0554 Water Control Center | 2,200,980 | 258 | 769,755 | 1,431,225 | 34.97% | (769,497) | 298254.73% |
| **Operating Expense Total** | **93,671,159** | **48,102,489** | **49,509,148** | **44,162,012** | **52.85%** | **(1,406,659)** | **2.92%** |

# QUARTERLY FINANCIAL REPORT

## WATER FUND

| Water Services Financial Report | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Non-Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 14,863,636 | 4,425,831 | 4,671,662 | 10,191,974 | 31.43% | (245,831) | 5.55% |
| CC0514 Water Operational Technology | 4,100 | 89,150 | 4,100 | - | 100.00% | 85,050 | -95.40% |
| CC0526 Systems Engineering | 782,865,780 | 232,583,256 | 182,772,405 | 600,093,375 | 23.35% | 49,810,851 | -21.42% |
| CC0532 Irrigation Operations | 43,305 | 2,986 | 2,162 | 41,143 | 4.99% | 824 | -27.58% |
| CC0530 Wastewater Operations | 24,713,755 | 3,740,053 | 6,041,258 | 18,672,497 | 24.44% | (2,301,206) | 61.53% |
| CC0531 Wastewater Plant Management | 155,200 | - | 120,258 | 34,942 | 77.49% | (120,258) | 0.00% |
| CC0527 Water Services Administration | 2,226,317 | 1,194,674 | 1,873,470 | 352,846 | 84.15% | (678,796) | 56.82% |
| CC0528 Water Distribution | 50,809,510 | 1,488,252 | 3,514,184 | 47,295,326 | 6.92% | (2,025,933) | 136.13% |
| CC0529 Water Plant Management | - | 269,000 | - | - | 0.00% | 269,000 | -100.00% |
| CC0535 Water Conservation | 84,762 | 60,000 | 84,762 | - | 100.00% | (24,762) | 41.27% |
| CC0539 Regulatory Compliance | 181,155 | - | 121,155 | 60,000 | 66.88% | (121,155) | 0.00% |
| CC0553 Water Operations | 46,456,153 | 8,944,469 | 11,484,025 | 34,972,128 | 24.72% | (2,539,556) | 28.39% |
| CC0554 Water Control Center | 24,600 | - | 24,600 | - | 100.00% | (24,600) | 0.00% |
| CC0524 Metering Services | 4,882,564 | 5,113,643 | 2,583,128 | 2,299,436 | 52.91% | 2,530,514 | -49.49% |
| **Non-Operating Expense Total** | **927,310,837** | **257,911,313** | **213,297,170** | **714,013,668** | **23.00%** | **44,614,143** | **-17.30%** |
| **Expense** | **1,020,981,996** | **306,013,801** | **262,806,317** | **758,175,679** | **25.74%** | **43,207,484** | **-14.12%** |

# QUARTERLY FINANCIAL REPORT

## WATER FUND

- Water Revenue
  - Operating revenue trending slightly under budget however a disproportionate amount of water charges revenue comes from the summer months
  - Water Charges are up 11.9% due to increased consumption and rate increases
  - Fees revenue decreased 1.7% from FY2025
  - Impact fees from development are within conservative modeling
  - The penalties revenue is up 79.3% due to moving wrong day irrigation fines from water charges to the penalties revenue category.
- Water Operating Expense
  - Expenses in Water Services Administration are 3.2% less than FY2025. Expenses in Water Distribution are 29% greater than FY2025 due to an increase in Rental and Lease of Equipment as well as the timing of new vehicle purchases
  - Expenses in Wastewater Operations are 8.2% greater than FY2025 due to the timing of maintenance related expenses
  - Expenses in Metering Services are 14% greater than FY2025 due to increases across various spend categories including personnel, shipping and freight and material expenditures
  - Expenses in Water Operational Technology are 176.7% greater than FY2025 due to movement of personnel to better align with functions and increases to the IT allocation
  - Meet fund balance reserve requirements

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Executive Session 06.09.2026**

SUGGESTED ACTION:
**Sec. 551.071: Consultation with Attorney**
Advice from the attorney about pending or contemplated litigation and other matters on which the attorney has a duty to advise the City Council, including agenda items.
- Litigation Update
- Austin Avenue Bridges

**Sec.551.072: Deliberations about Real Property**
- 8th and Forrest
- Deliberation regarding acquisition of two properties commonly identified as 903 Riverhaven Drive, Georgetown, TX 78626

**Sec. 551.087: Deliberation Regarding Economic Development Negotiations**
- Project Blue Skies
- Project Vista Prism

ITEM SUMMARY:

FINANCIAL IMPACT:

SUBMITTED BY:
Robyn Densmore, City Secretary

ATTACHMENTS:

N/A

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Call to Order 06.09.2026**

SUGGESTED ACTION:
Pledge of Allegiance
Recognitions
- Public Works Proclamation
Actions out of Executive Session

ITEM SUMMARY:

FINANCIAL IMPACT:

SUBMITTED BY:
Karen Frost, City Secretary

ATTACHMENTS:

N/A

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Public Wishing to Address 06.09.2026**

SUGGESTED ACTION:
- At the time of posting no one had signed up to speak.

ITEM SUMMARY:

FINANCIAL IMPACT:

SUBMITTED BY:
Robyn Densmore, City Secretary

ATTACHMENTS:

N/A

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**City Council Meeting Minutes 05.26.2026**

SUGGESTED ACTION:
Consideration and possible action to approve the meeting minutes of the City Council meeting held on May 26, 2026 -- Robyn Densmore, City Secretary

ITEM SUMMARY:

FINANCIAL IMPACT:

SUBMITTED BY:
Karen Frost, City Secretary

ATTACHMENTS:
City Council Minutes 05.26.2026.pdf

# Minutes of the City Council
# City of Georgetown, Texas
# Tuesday, May 26, 2026

The Georgetown City Council met on Tuesday, May 26, 2026 at 2:00 PM at Council and Court Building, 510 W. 9th Street.

The City of Georgetown is committed to compliance with the Americans with Disabilities Act (ADA). If you require assistance in participating at a public meeting due to a disability, as defined under the ADA, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the City Secretary's Office, at least three (3) days prior to the scheduled meeting date, at (512) 930-3652 or City Hall at 808 Martin Luther King, Jr Street for additional information; TTY users route through Relay Texas at 711.

The following Members were in attendance: Amanda Parr, Kevin Pitts, Ben Butler, Ben Stewart, Jake French, Josh Schroeder, Ron Garland, and Doug Noble.

## 1. Policy Development and Discussion - Workshop

Mayor Schroeder called the meeting to order at 2:00 p.m.

### 1.A **Presentation by Williamson County Appraisal District Chief Appraiser, Alvin Lankford**

Presentation and discussion regarding growth trends in assessed value and an overview of the WCAD budget and services provided -- Randi Cormack, Budget Manager

Lankford presented and reviewed the following: how WCAD is a top workplace; renewal of the CEAA (Certificate of Excellence in Assessment Administration); recognition by the Texas Comptroller Transparency Stars Program; positive customer service ratings on Google; 2026 Notice of Appraised Value; Comparable Sales Report; property owner dashboard on website; wcad.org resources; website chat and knowledge base; videos available on the website; WCAD comparison stats; budget cost per total levy; budget cost as a percentage of market value; budget cost per population; protest per full-time employees; how WCAD is graded; 2024 Property Value Study; 2025 Methods and Assistance Program; new legislation; increase in homestead exemption; HB 9; circuit breaker limitation bills did not pass; 2025 protest rules; housing market update; 2026 WCAD appraisal data; total market values, other values, increase in buildings and improvements; and values by type.

General discussion among Council and Langford regarding property value and comparison disputes with residents, different types of lots based on surroundings, how new values are calculated, different ways the data could be reviewed, how homes in old town and nearby neighborhoods are reviewed to determine property values, and how 2/3 of property owners choose not to protest their property values.

### 1.B **9th and Main Parking Garage / Texas Municipal Center Project**

Presentation and discussion regarding the Texas Municipal Center project and potential partnership for construction of a parking garage at 9th and Main -- Nick Woolery, Assistant City Manager

Woolery presented and reviewed the item's purpose, background on downtown parking needs, Downtown Master Plan framework, Downtown Master Plan priorities, and parking strategy. Jeffrey Snyder, with Texas Municipal League Intergovernmental Risk Pool, then presented and reviewed the overview of the Texas Municipal Center Project. Woolery resumed the presentation and reviewed the potential partnership for a parking garage at 9th and Main, and the parking impacts during the construction of the garage. John Duke, with CPM Texas, presented and reviewed the initial conceptual garage options. Woolery resumed the presentation and reviewed the options for retail space in the garage, and the needed feedback from the Council.

General discussion among Council and staff regarding: future considerations for designating portions of the parking garage for use for retail; fee in lieu of options; making sure that the garage blends well with the current structures already in use downtown; and the Council's general support for staff moving forward with the proposed partnership project, TML Risk Pool taking the lead on designing, permitting, and constructing the garage, support for conception design option 1, and including retail within the parking garage.

Liz Weaver, with time from Ronald Weaver, addressed the Council regarding the following: the importance of the downtown neighborhood and its residents; that the Council keep the neighborhood in mind during the long-term process of building the parking garage; the possibility of establishing future neighborhood parking zones; and appreciation for the partnership between TML and the neighborhood residents.

***Mayor Schroeder called for a break at 3:34 p.m. and resumed the meeting at 3:44 p.m.***

1.C **Woodside In-city MUD Request**

Presentation, discussion and possible recommendations regarding the creation of an in-city Municipal Utility District (MUD) for the proposed Thompson Tract -- Cresta Lyons, Special Districts Program Manager

Lyons presented and reviewed the item's purpose, location of the proposed MUD, and the developer's request. Amy Lynn Payne with Woodside presented and reviewed the current aspects of Woodside development, land use summary, lotting summary, and MUD Policy compliance for debt/tax rate regulation.

General discussion among Council, Payne, and staff regarding the location of possible commercial elements, entry points for the neighborhood, future improvements to Rattlesnake Road, water and wastewater infrastructure, percent of increase in MUD taxes, how MUD tax rates are calculated, how the proposal will surpass minimum standards, and the proposed active adult portion of the development.

1.D **FY27 Stormwater Cost of Service Study**

Presentation and discussion regarding the FY2027 Stormwater Cost of Service Study -- April Haughey, Public Works Assistant Director

Haughey introduced the item and then turned the presentation over to Matthew Garrett with NewGen Strategies and Solutions. He then presented and reviewed the following: key points; Edwards Aquifer Recharge Zone; regional bill comparison; key assumptions; major cost drivers; new staffing; vehicle and equipment; devices; device program; cartridge and inspection cost; capital projects; revenue and expenses; financial metrics; projected rate changes; revenue and expenses; financial metrics; residential bill impact; commercial bill impact; regional bill comparison; and recommendations.

General discussion among Council, consultant, and staff regarding the Council's support of the provided recommendations.

1.E **Unified Development Code Workshop**

Presentation and discussion regarding updates to the Unified Development Code -- Edgar Garcia, Planning Director

Garcia presented and reviewed the need for Water Policy alignment, clearer paths for redevelopment, streamlined redevelopment within the UDC, and the feedback needed from Council.

General discussion among Council and staff regarding the legal requirements for different case types and making sure that exceptions don't become the new standard.

1.F **Cost of Service and Rate Model Updates for FY 2027**

Presentation and discussion regarding the water and wastewater cost of service study and rate modeling for the FY2027 budget -- Chelsea Solomon, PE, Water Utilities Director, and Leigh Wallace, Chief Financial Officer

Solomon introduced the item and then turned the presentation over to Matthew Garrett with NewGen Strategies and Solutions. He then presented and reviewed the following: key points; key assumptions; major cost drivers; capital projects; revenue and expenses; projected rate changes; financial metrics; residential water and wastewater rates; commercial water rates; commercial wastewater rates; residential bill impact; bill comparison; commercial bill comparison; risks and other factors; the Water Board's recommendation; and staff's recommendation for a rate plan and next steps.

General discussion among Council, consultant and staff regarding Council's support for the recommendations made by staff.

***Mayor Schroeder adjourned into Executive Session at 5:01 p.m.***

## 2. Executive Session

In compliance with the Open Meetings Act, Chapter 551, Texas Government Code, Vernon's Codes, Annotated, the items listed below will be discussed in closed session and are subject to action in the regular session.

2.A **Executive Session 05.26.2026**

**Sec. 551.071: Consultation with Attorney**

Advice from the attorney about pending or contemplated litigation and other matters on which the attorney has a duty to advise the City Council, including agenda items.

- Litigation Update
- Long-term Water Supply regarding Recharge Water, LP, and Upwell Water
- Austin Avenue Bridges
- Deliberation regarding the condemnation case pending in County Court at Law #2 under Cause No. 22-0047-CC2
- Airport Leasing Policy

**Sec.551.072: Deliberations about Real Property**

- 8th and Forrest
- University and Summercrest
- Deliberation regarding acquisition of two properties commonly identified as 903 Riverhaven Drive, Georgetown, TX 78626

**Sec. 551.087: Deliberation Regarding Economic Development Negotiations**

- Project Lost Mine Peak
- Project Gopher
- Project Twist

## 3. Regular Session - This portion of the meeting will begin no earlier than 6:00 pm.

***Mayor Schroeder called the meeting to order at 6:20 p.m.***

3.A **Call to Order 05.26.2026**

Pledge of Allegiance

Recognitions

- Kimberly Garrett Retirement
- Engine 4/Medic 5 Crew
- Civic Leadership Academy Graduates

Actions out of Executive Session

**Moved by** Kevin Pitts; seconded by Jake French to Approve the authorization of the City Attorney, and/or her designee, to settle the condemnation case pending in County Court at Law #2 under Cause Number 22-0047-CC2, in accordance with the terms discussed in Executive Session.

**Motion** Approved: 7- 0

**Voting For:** Amanda Parr, Kevin Pitts, Ben Butler, Ben Stewart, Jake French, Ron Garland, and Doug Noble

**Voting Against:** None

## 4. Public Wishing to Address Council

On a subject that is posted on this agenda: Please fill out a speaker registration form which can be found on the table at the entrance to the Council Chamber. Clearly print your name and the letter of the item on which you wish to speak and present it to the City Secretary on the dais, prior to the start of the meeting. You will be called forward to speak when the Council considers that item. Only persons who have delivered the speaker form prior to the meeting being called to order may speak. Speakers will be allowed up to three minutes to speak. If you wish to speak for six minutes, it is permissible to use another requestor's granted time to speak. No more than six minutes for a speaker may be granted. The requestor granting time to another speaker must also submit a form and be present at the meeting.

On a subject not posted on the agenda: An individual may address the Council at a regular City Council meeting by contacting the City Secretary no later than noon on the Wednesday prior to the Tuesday meeting, with the individual's name and a brief description of the subject to be addressed. Only those persons who have submitted a timely request will be allowed to speak. Speakers will be given up to three minutes to address the City Council. The City Secretary can be reached at (512) 931-7715 or cs@georgetowntexas.gov

4.A **Public Wishing to Address 05.26.2026**

- Juan Valdes would like to address the Council regarding EMS/ambulance provider authorization and allowing additional providers.
- Joshua Zigal would like to address the Council regarding EMS/ambulance provider authorization and allowing additional providers

## 5. Statutory Consent Agenda

The Statutory Consent Agenda includes non-controversial and routine items which may be acted upon with one single vote. An item may be pulled from the Consent Agenda in order to be discussed and acted upon individually as part of the Regular Agenda.

**Moved by** Kevin Pitts; seconded by Ron Garland to Approve as presented.
**Motion** Approved: 7 - 0
**Voting For:** Amanda Parr, Kevin Pitts, Ben Butler, Ben Stewart, Jake French, Ron Garland, and Doug Noble
**Voting Against:** None

5.A **City Council Meeting Minutes 05.12.2026**

Consideration and possible action to approve the meeting minutes of the City Council meeting held on May 12, 2026 -- Robyn Densmore, City Secretary

5.B **Resolution - Nomination of Compal USA Technology Inc. for the Texas Enterprise Zone Program**

Consideration and possible action to approve a Resolution nominating Compal USA Technology Inc. for the Texas Enterprise Zone Program -- Cameron Goodman, Economic Development Director

5.C **Construction Contract with Austin Underground for Church Street Wastewater Improvements**
**Forwarded from the Georgetown Water Utility Advisory Board (GWUAB):**

Consideration and possible action to approve a contract with Austin Underground, Inc. of Lago Vista, Texas, for the base bid and Alternate A for the construction of Church Street Wastewater Improvements in the amount of $1,277,814.00 -- Wesley Wright, P.E., Systems Engineering Director, and David Herzog, CIP Manager

5.D **Special Services Agreement with FilmTec (DuPont) for Three Forks and Northlands Membranes Supplier**
**Forwarded from the Georgetown Water Utility Advisory Board (GWUAB):**
Consideration and possible action to approve a Special Services Agreement with FilmTec (DuPont) of Wilmington, Delaware, for membrane filtration system special services associated with Three Forks and Northlands Water Reclamation Facilities in the amount of $300,000.00 -- Wesley Wright, P.E. Systems Engineering Director, and David Herzog, CIP Manager

5.E **Front Line Physicals - Second Renewal**
Consideration and possible action to approve the Second Renewal of the Agreement between the City of Georgetown and Front Line Mobile Health, LLC for annual physical screenings, pre-employment screenings with the possibility of additional medical services as needed for the Police Department, Fire Department, and Human Resources Department at an amount not to exceed $320,000.00 -- John Sullivan, Fire Chief

5.F **New Motorola Consoles for Electric Control Center**
Consideration and possible action to approve the purchase of three (3) Motorola consoles, including a one-year warranty, for a total cost of $436,751.00. Annual out-year warranty services would be provided at a cost of $42,565.00 per year -- Jack Daly, Electric Chief Business Officer

5.G **Primoris Contract Amendment**
Consideration and possible action to approve an amendment to the General Service Agreement with Primoris T&D Services, LLC, to modify Exhibit A of the Agreement to add the items included in Exhibit 1 to this Third Amendment -- Richard Pajestka, Electric Engineering and Operations Manager

5.H **Renegade Contract Amendment**
Consideration and possible action to approve an amendment to the Services Agreement with Renegade Group, LLC, Contract 25-0317- SC, to modify Exhibit C of the Agreement to amend pricing and to add the items included in Exhibit A-1 to this First Amendment -- Richard Pajestka, Electric Engineering and Operations Manager

5.I **Historic Consultant Contract - CTA Inc. (DBA Cushing Terrell)**
Consideration and possible action to approve Contract 26-0053-CC with CTA Inc. (dba Cushing Terrell) for consulting services with an annual not -to-exceed amount of $30,000.00 and to authorize the City Manager to execute renewals of the agreement for up to 3-Three additional 1-year renewals with the same terms and conditions for a total 4 year contract and a not-to-exceed amount of $120,000.00 for life of the contract -- Allyson Iiams, Preservation & Redevelopment Program Manager

5.J **Change Order #1 with E-Z Bel Construction for Lakeway and Northwest Signal Improvements**
Consideration and possible action to approve Change Order #1 with E- Z Bel Construction LLC, for the Construction of the Lakeway and Northwest Signal project in the amount of $108,958.35 -- Wesley Wright, P.E., Systems Engineering Director, and David Herzog, CIP Manager

5.K **Change Order No. 4 Garey Park**
Consideration and possible action to approve the ratification of Change Order No. 4 for STR Constructors LLC for Garey Park Phase 2 construction improvements in the amount of $254,553.85 -- Eric Nuner, Assistant Parks and Recreation Director

5.L **Amendment to Marmon Mok Architecture Professional Service Contract**
Consideration and possible action to approve an amendment to Marmon Mok Architecture's professional service contract for the design and coordination of the parking lot located on the adjacent lot 2 of the SU 560 Dev in the sum of $280,216.75 -- Jennifer Bettiol, CIP manager

## 6. Legislative Regular Agenda

6.A **First Reading - Replacement Fourth Amendment to Development Agreement for Parkside on the River Subdivision**
First Reading of an Ordinance of the City Council to amend Ordinance NOS. 2019-69, 2020-84, 2021-40, 2024-18, and 2026-11, and approve the Replacement Fourth Amendment to Development Agreement for Parkside on the River subdivision -- Nick Woolery, Assistant City Manager

Woolery presented the item and noted that it was a cleanup item related to a previous Council item approved in February. He then read the Ordinance caption.

**Moved by** Ben Stewart; seconded by Kevin Pitts to Approve as presented.
**Motion** Approved: 7- 0
**Voting For:** Amanda Parr, Kevin Pitts, Ben Butler, Ben Stewart, Jake French, Ron Garland, and Doug Noble
**Voting Against:** None

6.B **First Reading - Repeal Local TABC Permit Fees**
First Reading of an Ordinance to repeal local fees for alcoholic beverage permits in compliance with state law -- Leigh Wallace, Chief Financial Officer and Board of Health Representative for Williamson County and Cities Health District

Wallace presented the item and reviewed a summary of City actions and State law updates until now. She then read the Ordinance caption.

**Moved by** Kevin Pitts; seconded by Amanda Parr to Approve as presented.
**Motion** Approved: 7- 0
**Voting For:** Amanda Parr, Kevin Pitts, Ben Butler, Ben Stewart, Jake French, Ron Garland, and Doug Noble
**Voting Against:** None

6.C **Resolution - Line Extension Policy Update**
Consideration and possible action to approve a Resolution amending the electric line extension and electric metering policy -- Daniel Bethapudi, General Manager Electric Utility

Bethapudi introduced the item and then turned the presentation over to Alex Spinn, Electric Engineering Design Supervisor, who presented the item and reviewed the following: the policy background; annual cost review; cost summary for FY2026; Plan Investment Fee (PIF); FY2026 notable PIF changes; FY2026 recommended PIF changes; FY2026 other notable changes; FY2026 recommended fee changes for Dwelling Unit Fees and Application Fees; FY2026 recommended policy changes; and staff recommendations.

The Council had no comments or questions regarding the item.

**Moved by** Kevin Pitts; seconded by Jake French to Approve as presented.
**Motion** Approved: 7- 0
**Voting For:** Amanda Parr, Kevin Pitts, Ben Butler, Ben Stewart, Jake French, Ron Garland, and Doug Noble
**Voting Against:** None

## Adjournment

Mayor Schroeder adjourned the meeting at 6:58 p.m.

These minutes were approved at the meeting of _____.

_____ _____
Mayor Attest

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Resolution - ETJ Disannexation - Keystone GT LLC - 34.7 Acres**

SUGGESTED ACTION:
Consideration and possible action to approve a Resolution to confirm the disannexation of approximately 34.7 acres of land from the City of Georgetown's Extraterritorial Jurisdiction (ETJ), identified as Williamson County Appraisal District Parcels R039042 and R097936 and owned by Keystone GT LLC -- Michael Charles, Real Estate Services Coordinator

ITEM SUMMARY:

FINANCIAL IMPACT:

SUBMITTED BY:
Michael Charles, City Attorney's Office/ Real Estate

ATTACHMENTS:
Res_ETJ_Release_Keystone GT LLC_CR152_34 AC wExhibits.pdf
KEYSTONE GT LLC.pdf

**RESOLUTION NO. _____**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS ("GEORGETOWN") RELEASING APPROXIMATELY 34.7 ACRES OF LAND FROM THE CITY OF GEORGETOWN'S EXTRATERRITORIAL JURISDICTION ("ETJ"), SAID LAND IDENTIFIED BY THE WILLIAMSON COUNTY APPRAISAL DISTRICT AS PARCELS R039042 AND R097936, AND BEING LOCALLY KNOWN AS 1351 COUNTY ROAD 152, GEORGETOWN, WILLIAMSON COUNTY, TEXAS, RESULTING IN A REDUCTION OF GEORGETOWN'S ETJ; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** on May 11, 2026, the City of Georgetown, Texas, received a petition requesting release from its ETJ of an approximately 34.7 acre tract of land in the John Berry Survey (the "Petition"), a true and correct copy of such Petition being attached hereto as Exhibit A and incorporated herein by reference; and

**WHEREAS**, pursuant to Subchapter D of Chapter 42 of Local Government Code, landowners or residents may submit a petition seeking release of an area of land from the City's ETJ; and

**WHEREAS**, the City Secretary has reviewed the Petition and confirmed that it meets the requirements of Subchapter D of Chapter 42 of the Local Government Code and the petition requirements of Chapter 277 of the Election Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS:**

**SECTION 1.** The City Council of the City of Georgetown, Texas ("**City Council**"), does hereby find that the forgoing recitals are true and correct and adopts the recitals by this reference for all purposes.

**SECTION 2.** To the extent required by state law, the City Council does hereby adjust the boundaries and limits of the ETJ of the City of Georgetown, Texas, such that the ETJ of the City of Georgetown, Texas, shall be and is hereby adjusted to release and remove the Area subject to the Petition, as such Area is more particularly described and depicted in Exhibit B attached hereto and incorporated herein by reference, from the ETJ of the City of Georgetown, Texas.

**SECTION 3.** The City Council is not consenting to this reduction of its ETJ except as required by state law.

**SECTION 4.** This Resolution shall take effect immediately upon its passage.

**PASSED AND APPROVED** by the City Council of the City of Georgetown, Texas, on the _____ day of _____, 2026.

**CITY OF GEORGETOWN, TEXAS**

By:_____
Josh Schroeder, Mayor

ATTEST:

By:_____
Robyn Densmore, City Secretary

APPROVED AS TO FORM:

By:_____
Skye Masson, City Attorney

**Exhibit A to Resolution**

**Petition**

STEWART

May 11, 2026

RECEIVED
MAY 11 2026
CITY SEC.

City of Georgetown, City Secretary
Attn: Robyn Densmore
808 Martin Luther King, Jr. Street
Georgetown, Texas 78626

RE: Petition for Release from Extraterritorial Jurisdiction
Property: 1351 CR 152, Georgetown, Texas 78628
WCAD PID: R039042 and R007396 (34.7 acres)

Dear City Secretary:

On behalf of Stewart Family Interests, Ltd., I hereby submit the enclosed Petition for Release from Extraterritorial Jurisdiction of the City of Georgetown pursuant to Texas Local Government Code §42.102.

The petition property consists of approximately 34.7 acres, identified in Williamson Central Appraisal District as PID R039042 and R007396, and is currently located within the City of Georgetown's extraterritorial jurisdiction as reflected on the City's ETJ/City Limits GIS mapping system. The enclosed Petition includes all materials required under Texas Local Government Code §§42.102-42.105, including the recorded deed, survey and metes-and-bounds description, appraisal district parcel map, and swom owner affidavits.

Request for Agenda Placement. Pursuant to Texas Local Government Code §42.105, I respectfully request that this Petition be verified by staff and placed on the agenda of the next available meeting of the Georgetown City Council for consideration of a resolution releasing the Property from the City's extraterritorial jurisdiction, consistent with the City's prior action in similar ETJ release matters.

Please confirm receipt of this Petition and advise as to the anticipated agenda date for City Council consideration. Should you or your staff have any questions or require additional documentation, do not hesitate to contact me. Thank you for your attention to this matter.

Regards,

Tanya Dawson
Attorney for Petitioners
[redacted]

cc: City Attorney, City of Georgetown
Planning Director, City of Georgetown

*23000 Northwest Lake Drive, Houston, Texas 77095*
*Phone: (713) 983-8819*

**PETITION FOR RELEASE FROM THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF GEORGETOWN, TEXAS**

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS:

## I. PARTIES

Keystone GT, LLC files this Petition pursuant to Texas Local Government Code § 42.102 for release of the following described property from the extraterritorial jurisdiction ("ETJ") of the City of Georgetown, Texas.

## II. PROPERTY

Owners are the fee simple owners of that certain 34.7-acre tract of land located at 1351 CR 152, Georgetown, Texas 78628, in Williamson County, Texas, identified by the Williamson Central Appraisal District as PID No. R039042 and R007396, and currently located within the extraterritorial jurisdiction ("ETJ") of the City of Georgetown, Texas (the "Property"). The Property is more particularly described in the deed and metes and bounds description attached hereto as **Exhibit A**, and depicted on the Williamson Central Appraisal District parcel map attached as **Exhibit B**.

For purposes of City review, the Property is shown on the City of Georgetown's official ETJ/City Limits GIS Map (Esri platform) as lying outside the corporate limits and within the City's extraterritorial jurisdiction along Cross Creek Road and Lightning Ranch Road as reflected on the City's GIS map used by Planning and City Secretary staff, a copy of which is attached hereto as **Exhibit C**.

## III. STATUTORY AUTHORITY

This Petition is filed pursuant to Texas Local Government Code §§ 42.101-42.105 which authorizes landowners meeting the statutory requirements to petition for unilateral release of property from a municipality's extraterritorial jurisdiction.

## IV. APPLICABILITY REQUIREMENTS

As demonstrated by the sworn affidavits of the Owners attached hereto as Exhibit E, the Property meets all applicability requirements of Texas Local Government Code § 42.101 and is not:

- Within five (5) miles of the boundary of a military base at which an active training program is conducted;
- Located in an area that was voluntarily annexed into the ETJ and situated in a county with a population greater than 240,000 in which population increased by more than 50% between the 2010 and 2020 federal censuses;
- Located in the portion of the ETJ of a municipality with a population greater than 1.4 million that is within fifteen (15) miles of a military base in a county with a population greater than two million;

- Located in an industrial district designated under Texas Local Government Code § 42.044; or Subject to a strategic partnership agreement under Texas Local Government Code§ 43.0751.

## V. PETITION REQUIREMENTS

This Petition satisfies Texas Local Government Code§ 42.104 in that:

- Owners collectively own more than fifty percent (50%) of the appraised value of the Property according to the Williamson Central Appraisal District;

- The Petition is signed, in writing, by one hundred percent (100%) of the owners in value of the Property satisfying the requirements of Texas Local Government Code §§ 42.104(a)(2), 42.104(b)-(c);

- The Petition includes the deed, metes-and-bounds description, and a map of the Property as required by Texas Local Government Code§ 42.104(d); and

- The signatures are valid under Texas Election Code § 277.002 as required by Texas Local Government Code§ 42.103.

## VI. REQUEST FOR RELEASE

Pursuant to Texas Local Government Code § 42.l0S(c), because Owners have obtained the requisite signatures, the City of Georgetown must immediately release the Property from its extraterritorial jurisdiction. If the City fails to act by the later of (i) the 45th day after receipt of this Petition or (ii) the next meeting of the governing body occurring after the 30th day following receipt, the Property shall be released by operation of law.

## VII. PRAYER

WHEREFORE, PREMISES CONSIDERED, Owners respectfully request that the City of Georgetown verify this Petition and release the Property from its extraterritorial jurisdiction in accordance with Chapter 42 of the Texas Local Government Code.

Mark A. Stewart, Manager
Keystone GT, LLC

SUBSCRIBED AND SWORN TO before me on this 31st day of March, 2026, by Mark A. Stewart as Manager of Keystone GT, LLC.

Tanya Dugas Dawson
My Commission Expires
07/11/2027
Notary ID 132082903

Tanya Dugas Dawson
Notary, for the State of Texas

RESOLUTION OF KEYSTONE GT, LLC

Pursuant to the March 3, 2026 Company Agreement of Keystone GT, LLC, the following resolutions are adopted this 31st day of March, 2026.

RESOLVED, as sole Manager of the Company and in accordance with the rights and duties set forth in Section 8.2 of the Company Agreement, Mark A. Stewart, is authorized to execute all documents necessary to petition for the release of the 34.7-acre tract of land located at 1351 CR 152, Georgetown, Texas 78628, in Williamson County, Texas, identified by the Williamson Central Appraisal District as PID No. R039042 and R007396, from the extraterritorial jurisdiction ("ETJ") of the City of Georgetown, Texas

DATED THIS 31st day of March, 2026.

Mark A. Stewart, Manager
Keystone GT, LLC

Sworn to and subscribed before me by the above-named persons, personally known to me, in Harris County, Texas on this the 31st day of March, 2026.

Tanya Dugas Dawson
My Commission Expires
07/11/2027
Notary ID 132082903

Tanya Dugas Dawson, Notary for the State of Texas

**AFFIDAVIT OF MARK A. STEWART**

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Mark A. Stewart, who, being by me duly sworn, stated under oath as follows:

1. My name is Mark A. Stewart. I am over eighteen (18) years of age and am legally competent to make this affidavit, which is true and correct, and is made voluntarily and not under duress.

2. In my capacity as Manager of Keystone GT, LLC, I am an owner of the Property described in the attached Petition for Release from the Extraterritorial Jurisdiction of the City of Georgetown, Texas.

3. The statements contained in the Petition are true and correct.

4. The Property meets all applicability requirements of Texas Local Government Code§ 42.101 and is not located in any area described in Texas Local Government Code§§ 42.101(1)-(5).

5. My date of birth is [redacted]

6. I reside [redacted]

Further affiant sayeth not.

Mark A. Stewart, Manager
Keystone GT, LLC

SUBSCRIBED AND SWORN TO before me on this 1st day of May, 2026, by Mark A. Stewart as Manager of Keystone VD, LLC.

Tanya Dugas Dawson
My Commission Expires
07/11/2027
Notary ID 132082903

Tanya Dugas Dawson
Notary, for the State of Texas

KIMLEY-HORN AND ASSOCIATES, INC.
TBPLS FIRM NO. 10194624
10814 JOLLYVILLE ROAD,
CAMPUS IV, SUITE 200
AUSTIN, TEXAS 78759

## Legal Description

**BEING A DESCRIPTION OF A TRACT OF LAND CONTAINING 34.7568 ACRES (1,514,006 SQUARE FEET), OUT OF THE JOHN BERRY SURVEY NO. 3, ABSTRACT NO. 51, WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 42.07 ACRE TRACT OF LAND CONVEYED TO VERNELL LOUISE SAGEBIEL IN DOCUMENT NO. 2023027994 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS (O.P.R.W.C.T.), SAID 34.7568 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING**, at a 1/2-inch iron rod with "4Ward Boundary" found on the northwest right-of-way line of County Road 152 (variable width right-of-way), said point being the southeast corner of a called 46.39 acre tract conveyed to Das Uber Montney et al. in Document No. 2022012328 (O.P.R.W.C.T.), and being the south corner of said Sagebiel tract, for the south corner and **POINT OF BEGINNING** hereof;

**THENCE**, leaving the northwest right-of-way line of said CR 152, with the common line of said Das Uber Montney tract and said Sagebiel tract, **North 25°48'52" West**, a distance of **1,385.71** feet to a leaning 1/2-inch iron rod found for an angle point hereof, said point being at the east corner of a called 1.00 acre tract conveyed to Jonah Water Special Utility District in Document No. 2018091256 (O.P.R.W.C.T.), and being the south corner of a called 1.00 acre tract conveyed to Jonah Water Special Utility District in Volume 2353, Page 951 of the Official Records of Williamson County, Texas (O.R.W.C.T.);

**THENCE**, leaving the southwest line of said Sagebiel tract, over and across said Sagebiel tract, with the southeast and northeast line of said 1.00 acre tract conveyed to Jonah Water Special Utility District in Volume 2353, Page 951 (O.R.W.C.T.), the following two (2) courses and distances:

1) **North 68°42'32" East**, a distance of **202.07** feet to a 1/2-inch iron rod found for an angle point hereof, and
2) **North 22°12'40" West**, a distance of **208.07** feet to a 1/2-inch iron rod found for an angle point hereof, said point being in the southeast line of a called 102.50 acre conveyed to RAS Management Trust in Document No. 2023069578 (O.P.R.W.C.T.), and being the northwest line of said Sagebiel tract, and being the north corner of said 1.00 acre tract conveyed to Jonah Water Special Utility District in Volume 2353, Page 951 (O.R.W.C.T.);

**THENCE**, with the common line of said RAS Management Trust tract and said Sagebiel tract, **North 69°05'12" East**, a distance of **338.57** feet to a 1/2-inch iron rod with "KHA" cap set for the north corner hereof;

**THENCE**, leaving the common line of said RAS Management Trust tract and said Sagebiel tract, over and across said Sagebiel tract, the following seven (7) courses and distances:

1) **South 73°35'35" East**, a distance of **283.62** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
2) **South 58°29'47" East**, a distance of **118.86** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
3) **South 61°36'09" East**, a distance of **174.82** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
4) **South 68°35'51" East**, a distance of **258.32** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
5) **South 63°07'25" East**, a distance of **85.63** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
6) **South 79°25'48" East**, a distance of **134.38** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof, and
7) **South 61°31'39" East**, a distance of **193.18** feet to a 1/2-inch iron rod with "KHA" cap set for the east corner hereof, said point being in a fenceline on the apparent northwest right-of-way of said CR 152;

**THENCE**, generally with the occupied fenceline and the apparent northwest right-of-way line of said CR 152, the following eight (8) courses and distances:

1) **South 26°47'29" West**, a distance of **48.15** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
2) **North 82°31'33" West**, a distance of **31.23** feet to a 1/2-inch iron rod with "KHA" cap set for an angle point hereof,
3) **South 17°50'39" West**, a distance of **385.61** feet to a 1/2-inch iron rod found for an angle point hereof,
4) **South 18°37'09" West**, a distance of **238.65** feet to a bent 1/2-inch iron rod found for an angle point hereof,
5) along the arc of a curve to the right, whose radius is **1,095.96** feet, whose arc length is **190.82** feet, and whose chord bears **South 30°40'39" West**, a distance of **190.58** feet to a 1/2-inch iron rod with "KHA" cap set for a point of non-tangency hereof,
6) along the arc of a curve to the right, whose radius is **788.54** feet, whose arc length is **254.09** feet, and whose chord bears **South 44°53'47" West**, a distance of **252.99** feet to a 1/2-inch iron rod with "KHA" cap set for a point of compound curvature hereof,
7) along the arc of a curve to the right, whose radius **is 989.01** feet, whose arc length is 171.01 feet, and whose chord bears **South 64°22'17" West**, a distance of **170.79** feet to a 1/2-inch iron rod with "KHA" cap set for a point of non-tangency hereof, and
8) **South 69°19'28" West**, a distance of **311.75** feet to the **POINT OF BEGINNING** and containing 34.7568 Acres (1,514,006 Square Feet) of land more or less.

**NOTE:**

All bearings are based on the Texas State Plane Coordinate System, Grid North, Central Zone (4203); all distances were adjusted to surface using a combined scale factor of 1.000135764239. See attached sketch (reference drawing:V-ALTA-068929201.dwg)

**1/23/26**

STEVEN M. DUARTE, R.P.L.S.
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5940
STEVEN.DUARTE@KIMLEY-HORN.COM

STATE OF TEXAS
REGISTERED
STEVEN M. DUARTE
5940
PROFESSIONAL
LAND SURVEYOR

# EXHIBIT B

PID No. 097936

# EXHIBIT B

PID No. 097936

# EXHIBIT C

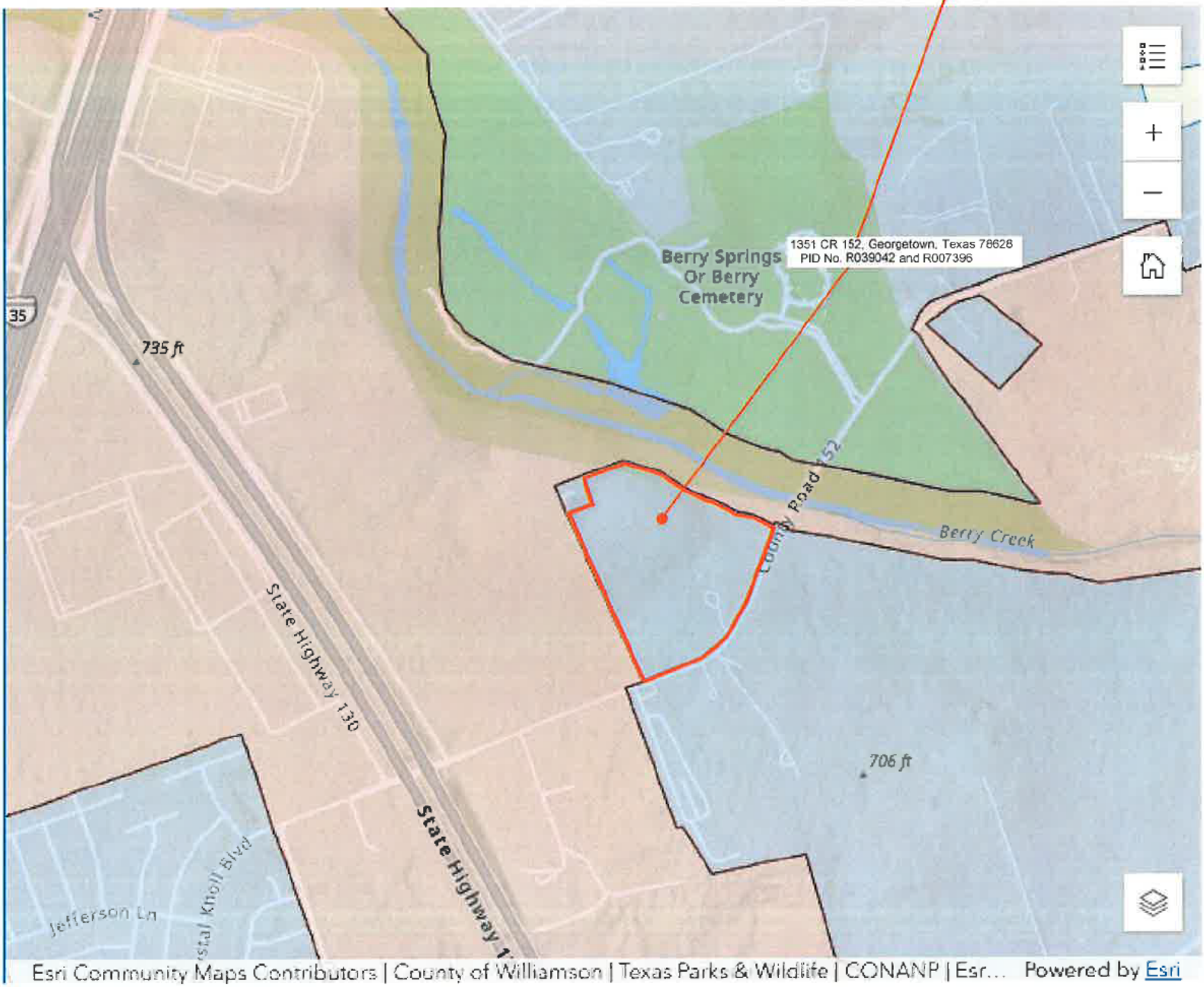

1351 CR 152, Georgetown, Texas 78628
PID No. R039042 and R007396
Berry Springs Or Berry Cemetery
35
735 ft
County Road 152
Berry Creek
State Highway 130
State Highway 1
706 ft
Jefferson Ln
Esri Community Maps Contributors | County of Williamson | Texas Parks & Wildlife | CONANP | Esr...
Powered by Esri

**Exhibit B to Resolution**

**Legal Description and Map**

KIMLEY-HORN AND ASSOCIATES, INC.
TBPLS FIRM NO. 10194624
10814 JOLLYVILLE ROAD,
CAMPUS IV, SUITE 200
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## Legal Description

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**THENCE**, leaving the northwest right-of-way line of said CR 152, with the common line of said Das Uber Montney tract and said Sagebiel tract, **North 25°48'52" West**, a distance of **1,385.71** feet to a leaning 1/2-inch iron rod found for an angle point hereof, said point being at the east corner of a called 1.00 acre tract conveyed to Jonah Water Special Utility District in Document No. 2018091256 (O.P.R.W.C.T.), and being the south corner of a called 1.00 acre tract conveyed to Jonah Water Special Utility District in Volume 2353, Page 951 of the Official Records of Williamson County, Texas (O.R.W.C.T.);

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**1/23/26**

STEVEN M. DUARTE, R.P.L.S.
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5940
STEVEN.DUARTE@KIMLEY-HORN.COM

STATE OF TEXAS
REGISTERED
STEVEN M. DUARTE
5940
PROFESSIONAL
LAND SURVEYOR

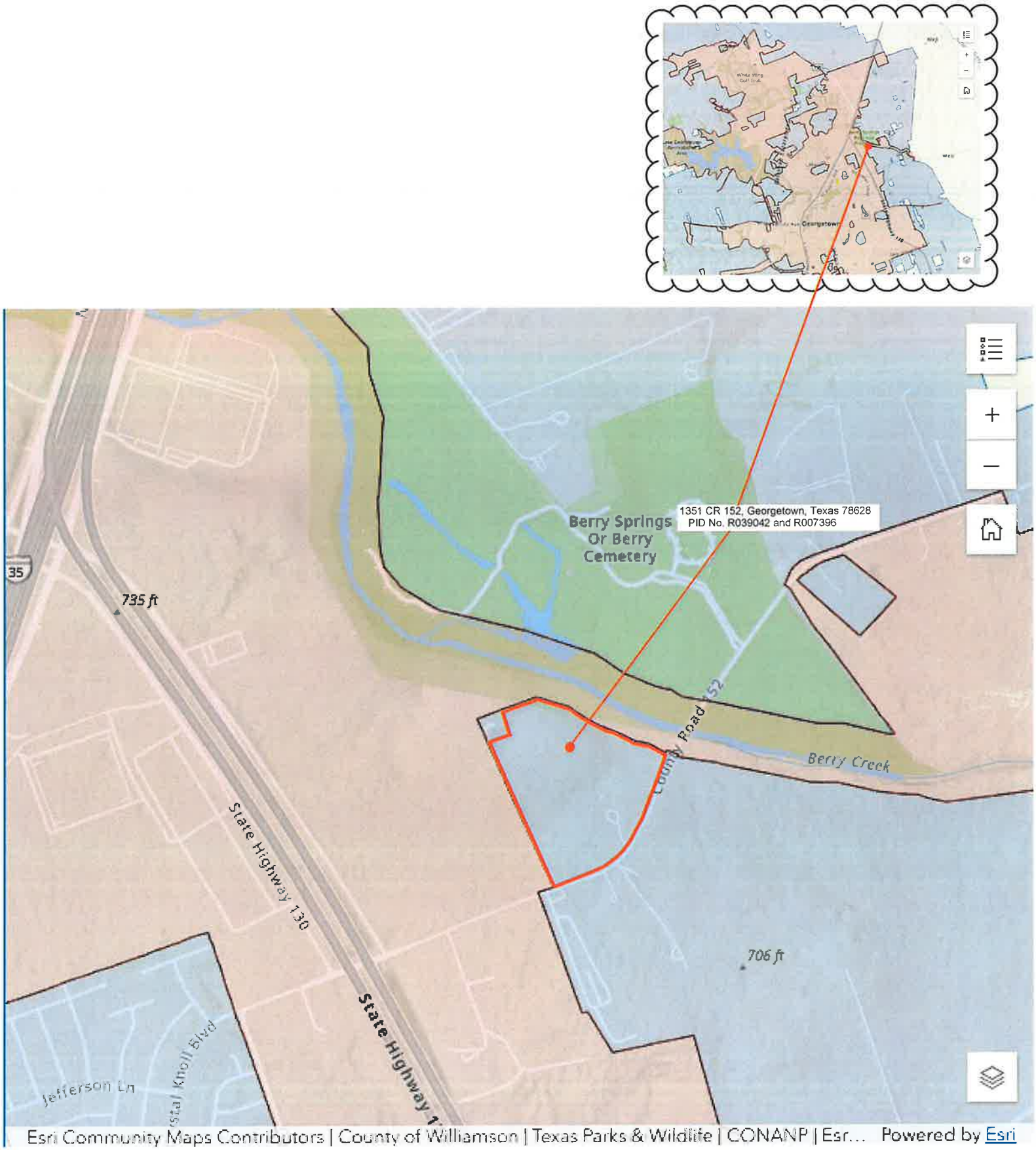
# EXHIBIT B

PID No. 097936

# EXHIBIT B

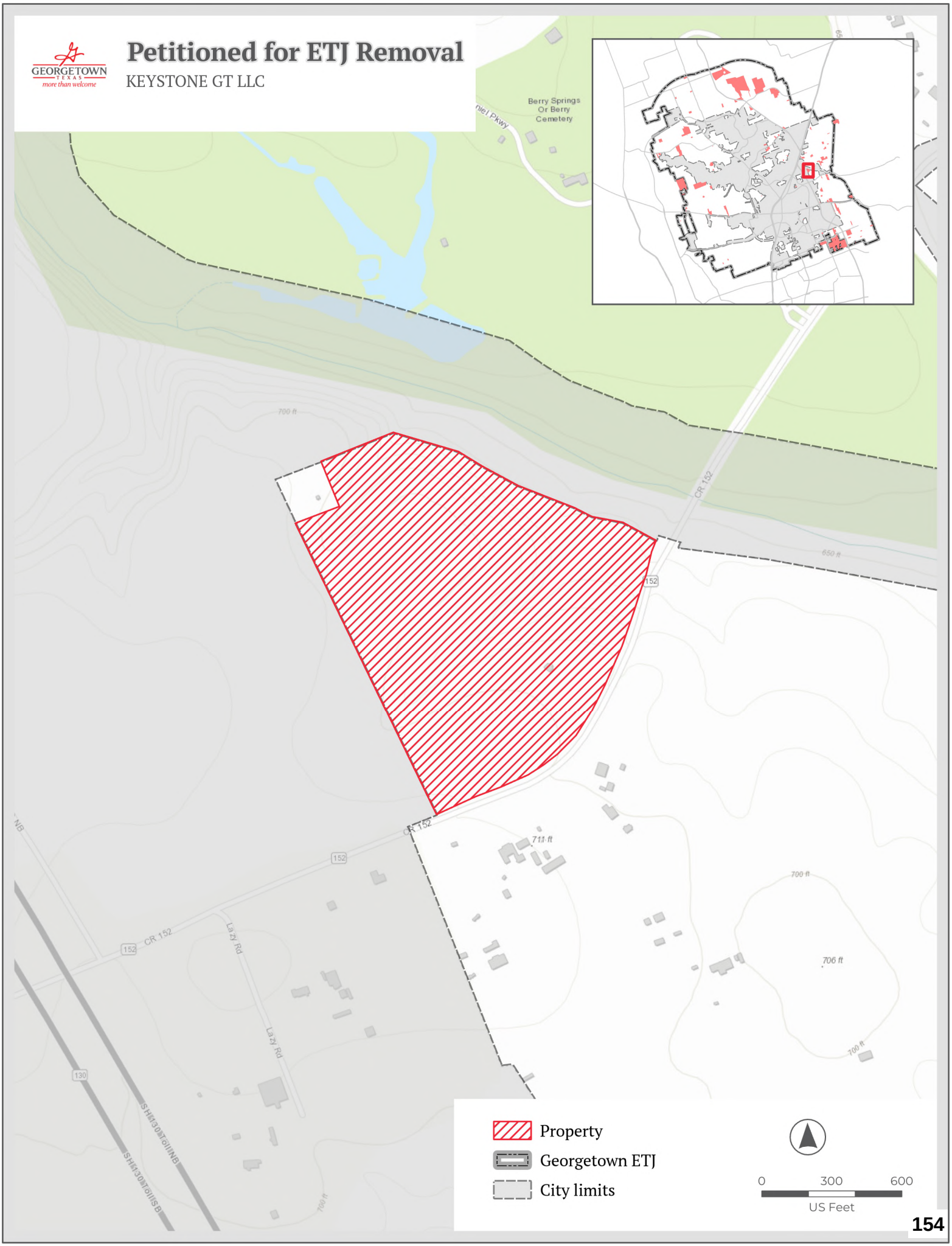
PID No. 097936

# EXHIBIT C


1351 CR 152, Georgetown, Texas 78628
PID No. R039042 and R007396
Berry Springs Or Berry Cemetery
35
735 ft
706 ft
County Road 152
Berry Creek
State Highway 130
State Highway 1
Jefferson Ln
Esri Community Maps Contributors | County of Williamson | Texas Parks & Wildlife | CONANP | Esr...
Powered by Esri

# Petitioned for ETJ Removal

KEYSTONE GT LLC



# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Resolution - Replacement Third Amendment to the Second Amended and Restated Consent Agreement for Parkside on the River**

SUGGESTED ACTION:
Consideration and possible action to approve a Resolution of the City Council of Georgetown, Texas approving the Replacement Third Amendment to the Second Amended and Restated Consent Agreement to make a 40.2 acre tract of land subject to the Consent Agreement and consent for Parkside on the River Municipal Utility District No. 1 to annex the tract of land -- Nick Woolery, Assistant City Manager

ITEM SUMMARY:
Brief Background: This item relates to the Water Oak and Parkside on the River Subdivisions. There are 4 municipal utility districts' spread across these subdivisions: Williamson County MUD No. 25 (WCMUD No. 25), and Parkside on the River MUD Nos. 1, 2, and 3. The history of this project is detailed in the attached Resolution and in RECITALS section of the attached Replacement Third Amendment to Second Amended and Restated Consent Agreement.

HM Parkside acquired a certain 40.2-acre tract (the “Dufner Tract”) (defined in the attached Replacement Third CA Amendment). The City’s disannexation of the Dufner Tract from the City limits occurred on April 14, 2026, by Ordinance 2026-18 and the City now wishes to consent to the annexation of the Dufner Tract into POR MUD No. 1 as set out in the Replacement Third CA Amendment.

The City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts (defined in the attached document) entered into a proposed Third Amendment to the Second Amended and Restated Consent Agreement, dated as of February 10, 2026 (the “Original Third CA Amendment”) and recorded under Document No. 2026013969 in the Official Public Records of Williamson County, Texas. The Original Third CA Amendment would become effective only if the conditions set out in Article II, Section 4 were met by April 11, 2026. All Amendment Conditions did not occur by that date, so the Original Third CA Amendment, although executed and recorded, did not become effective and is not in force and effect.

As of execution of this Replacement Third CA Amendment, all Amendment Conditions are satisfied except annexation of the Dufner Tract by POR MUD
No 1, and City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts wish to enter into this Replacement Third CA Amendment to entirely replace the Original Third CA Amendment and to allow the remaining Amendment Condition to be completed.

FINANCIAL IMPACT:
There is no financial impact to the City by approving the Replacement Third Amendment to the Second Amended and Restated Consent Agreement.

SUBMITTED BY:
Angela McBride, City Manager's Office

ATTACHMENTS:
Parkside Replacement 3rd CA Amendment 5.5.26 FINAL.pdf

**RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF GEORGETOWN, TEXAS, APPROVING THE "REPLACEMENT THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED CONSENT AGREEMENT" BETWEEN THE CITY OF GEORGETOWN, HM PARKSIDE, LP, HM PARKSIDE DEVELOPMENT, INC., HM CR 176-2243, L.P., HM-GP II, LP, HM 2243 DEVELOPMENT INC., WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 25, PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 1, PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 2, AND PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 3, TO MAKE A 40.2 (+/-) ACRE TRACT OF LAND LOCATED NORTH OF FM 2243 AND ADJACENT TO PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 1 SUBJECT TO THE CONSENT AGREEMENT AND EXPRESS CONSENT FOR PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 1 TO ANNEX THE 40.2 (+/-) ACRE TRACT; MAKING CERTAIN FINDINGS; AND PROVIDING AN EFFECTIVE DATE.**

**RECITALS**

WHEREAS, on October 17, 2019, the City Council approved the Second Amended and Restated Consent Agreement (the "Second Consent Agreement"), dated as of October 17, 2019, and recorded under Document No. 2019117039 in the Official Public Records of Williamson County, Texas, pertaining to Parkside on the River.

WHEREAS, on June 8, 2021 the City Council approved the First Amendment to the Second Amended and Restated Consent Agreement, (the "First CA Amendment") recorded (to include all signature pages) under Document No. 2021120970 in the Official Public Records of Williamson County, Texas, which, among other things, added the GPII Property to the Consent Agreement and authorized the creation of an additional municipal utility district for the Parkside on the River Subdivision.

WHEREAS, on April 10, 2024, the City Council approved the Second Amendment to the Second Amended and Restated Consent Agreement ( the "Second CA Amendment") recorded under Document No. 2024031829 in the Official Public Records of Williamson County, Texas, which, among other things, added the so-called "Leander ETJ Tract" to the Second Consent Agreement and authorized it to be annexed into Williamson County MUD No. 25.

WHEREAS, HM Parkside acquired a certain 40.2-acre tract (the "*Dufner Tract*") (defined in the attached Replacement Third CA Amendment). At the time HM Parkside acquired the Dufner Tract, it lay within the City limits. HM Parkside requested the City, among other matters, to disannex the Dufner Tract and consent to POR MUD No. 1's annexation of the Dufner Tract within POR MUD No. 1, and in support of that request, by petition received by the City on January 6, 2026, HM Parkside, the then landowner of the Dufner Tract and the Board of Directors of POR MUD No. 1 requested the City's consent to annex the Dufner Tract within POR MUD No. 1 following its disannexation from the City limits. The City's disannexation of the Dufner Tract from the City limits occurred on April 14, 2026, by Ordinance 2026-18 and the City now wishes to consent to the annexation of the Dufner Tract into POR MUD No. 1 as set out in the Replacement Third CA Amendment.

WHEREAS, the City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts (defined in the attached document) entered into a proposed Third Amendment to the Second Amended and Restated Consent Agreement, dated as of February 10, 2026 (the "*Original Third CA Amendment*") and recorded under Document No. 2026013969 in the Official Public Records of Williamson County, Texas, to further amend the Second Consent Agreement, as amended by the First CA Amendment and Second CA Amendment, to incorporate the Dufner Tract within the Land. The Original Third CA Amendment would become effective only if the conditions set out in Article II, Section 4 thereof (the "*Amendment Conditions*") were met by April 11, 2026. All Amendment Conditions did not occur by that date, so the ***Original Third CA Amendment, although executed and recorded, did not become effective and is not in force and effect***.

WHEREAS, as of execution of this Replacement Third CA Amendment, all Amendment Conditions are satisfied except annexation of the Dufner Tract by POR MUD No 1, and City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts wish to enter into this Replacement Third CA Amendment to entirely replace the Original Third CA Amendment and to allow the remaining Amendment Condition to be completed.

WHEREAS, the City Council of the City of Georgetown desires to approve the Replacement Third CA Amendment in substantially the form attached as ***Attachment 1***, and confirm its consent to the annexation of the Dufner Tract (defined therein) into the boundaries of Parkside on the River Municipal Utility District No. 1.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:**

1. The meeting at which this Resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

2. The City Council hereby finds that the foregoing recitals are true and correct, and the recitals are hereby incorporated into this Resolution by reference for all purposes as set forth in full. The City Council hereby finds that this Resolution compliance with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

3. The Replacement Third CA Amendment in substantially the form attached as ***Attachment 1*** to this Resolution is approved by the City Council and incorporated into this Resolution for all purposes.

4. In accordance with the Replacement Third CA Amendment, the City Council consents to the annexation of the Dufner Tract (defined in the Replacement Third CA Amendment) into the boundaries of Parkside on the River Municipal Utility District No. 1.

5. If any provision of this Resolution or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are hereby declared to be severable.

6. The Mayor is authorized to sign this Resolution and the Replacement Third CA Amendment in substantially the form attached hereto as ***Attachment 1***, and the City Secretary is authorized to attest.

7. All actions taken by the City pursuant to the Original Third CA Amendment including, without limitation, disannexation of the Dufner Tract from the corporate boundaries of the City, are in all respects approved, ratified, and confirmed.

8. This Resolution and the Replacement Third CA Amendment will become effective in accordance with the terms and conditions stated in the Replacement Third CA Amendment, and the City Charter.

Attachment List:

***Attachment 1*** – Replacement Third CA Amendment (including all exhibits and schedules)

PASSED AND APPROVED ON FIRST READING on the_____ day of _____, 2026.

PASSED AND APPROVED ON SECOND READING on the on the_____ day of _____, 2026.

**CITY OF GEORGETOWN, TEXAS**

By:_____
Printed Name:_____Josh Schroeder_____
Title:_____Mayor_____

ATTEST:

By:_____
Robyn Densmore, City Secretary

APPROVED AS TO FORM:

By:_____
Skye Masson, City Attorney

| | | |
|---|---|---|
| **STATE OF TEXAS** | § | |
| | § | **REPLACEMENT** |
| **COUNTY OF WILLIAMSON** | § | **THIRD AMENDMENT TO** |
| | § | **SECOND AMENDED AND RESTATED** |
| **CITY OF GEORGETOWN** | § | **CONSENT AGREEMENT** |

THIS REPLACEMENT THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CONSENT AGREEMENT ("*Replacement Third CA Amendment*") is entered into by and between the City of Georgetown, Texas, a Texas home-rule municipality located in Williamson County, Texas ("*City*"), HM Parkside, LP, a Texas limited partnership ("*HM Parkside*"), HM Parkside Development, Inc., a Texas corporation affiliated with HM Parkside ("*HMPK Development*"), HM GPII, LP, a Texas limited partnership affiliated with HM Parkside ("*HM GPII*"), HM 2243 Development, Inc., a Texas corporation affiliated with HM Parkside ("*HM 2243*"), HM GPII Development, Inc., a Texas corporation ("*HM GPII Development*"), Williamson County Municipal Utility District No. 25 ("*WCMUD No. 25*"), Parkside on the River Municipal Utility District No. 1 ("*POR MUD No. 1*"), Parkside on the River Municipal Utility District No. 2 ("*POR MUD No. 2*"), and Parkside on the River Municipal Utility District No. 3 ("*POR MUD No. 3*").

RECITALS:

A. City, HM Parkside, HM CR 176-2243, LP, a Texas limited partnership affiliated with HM Parkside ("*HM-CR*"), Laredo W.O. Ltd., a Texas limited partnership ("*LWO*"), and WCMUD No. 25 entered into the Second Amended and Restated Consent Agreement (the "*Second Consent Agreement*"), dated as of October 17, 2019, and recorded under Document No. 2019117039 in the Official Public Records of Williamson County, Texas.

B. By Partial Assignment and Assumption Agreement dated effective June 25, 2020, and recorded under Document No. 2021073238, Official Public Records of Williamson County, Texas, HM Parkside assigned its interest in and to the Second Consent Agreement to HMPK Development as to the Initial HM Development Property.

C. City, HM Parkside, HMPK Development, HM-CR, HM GPII, WCMUD No. 25, and POR MUD No. 1 entered into that certain First Amendment to the Second Amended and Restated Consent Agreement, dated as of June 8, 2021 (the "*First CA Amendment*") and re-recorded (to include all signature pages) under Document

No. 2021120970 in the Official Public Records of Williamson County, Texas, which, among other things, added the GPII Property to the Land and authorized the creation of an additional municipal utility district. LWO has received all developer reimbursements from WCMUD No. 25 to which it was entitled, did not own and will not develop any of the Parkside Properties, thus LWO's signature was not required to any amendments to the Second Consent Agreement.

D. By Assignment and Assumption Agreement (Second Amended and Restated Consent Agreement) dated effective December 15, 2021 and recorded under Document No. 2021190025, Official Public Records of Williamson County, Texas, HM CR assigned all its interest in the Second Consent Agreement and First CA Amendment to HM 2243, following which HM CR ceased to be a party to the Second Consent Agreement.

E. By Partial Assignment and Assumption Agreement dated as of December 28, 2021 and recorded under Document No. 2021195619, Official Public Records of Williamson County, Texas, HM Parkside assigned its interest in and to the Second Consent Agreement and First CA Amendment to HMPK Development as to the 2nd HM Development Property.

F. By Partial Assignment and Assumption Agreement dated as of March 1, 2024 and recorded under Document No. 2024015951, Official Public Records of Williamson County, Texas, HM Parkside assigned its interest in and to the Second Consent Agreement and First CA Amendment to HMPK Development as to the 3rd HM Development Property.

G. City, HM Parkside, HMPK Development, HM GPII, HM 2243, WCMUD No. 25, POR MUD No. 1 and POR MUD No. 2 entered into that certain Second Amendment to the Second Amended and Restated Consent Agreement, dated as of April 10, 2024 (the "*Second CA Amendment*") and recorded under Document No. 2024031829 in the Official Public Records of Williamson County, Texas, which, among other things, added the Leander ETJ Tract to the Land and provided City's consent to the annexation of the Leander ETJ Tract within the boundaries of WCMUD No. 25.

H. By Partial Assignment and Assumption Agreement (Second Amended and Restated Consent Agreement) dated as of September 6, 2024, and recorded under Document No. 2024071342, Official Public Records of Williamson County, Texas, HM GPII assigned its interest in and to the Second Consent Agreement, First CA

Amendment and Second CA Amendment to HM GPII Development as to the 1st GPII Property (defined below).

I. By Partial Assignment and Assumption Agreement (Second Amended and Restated Consent Agreement) dated as of June 3, 2025 and recorded under Document No. 2025043000, Official Public Records of Williamson County, Texas, HM GPII assigned its interest in and to the Second Consent Agreement, First CA Amendment and Second CA Amendment to HM GPII Development as to the 2nd GPII Property (defined below).

J. The Second Consent Agreement, as amended by the First CA Amendment and the Second CA Amendment, allows the creation of WCMUD No. 25, plus up to three additional municipal utility districts on the Water Oak Property (as defined in Recital D of the Second Consent Agreement), the Remainder Property (as defined in Section 1.04 of the Second Consent Agreement), the 2243 South Tract (as defined in Section 1.05 of the Second Consent Agreement and consisting of the 40 Acres and the 21.305 Acres), the GPII Property (as defined in the First CA Amendment, consisting of the 314 Acre Tract plus the 47 Acre Tract), and the Leander ETJ Tract (as defined in the Second CA Amendment).

K. By order dated December 10, 2009 (per the Original Consent Agreement, pre-dating the Second Consent Agreement, recorded as Document No. 2012006198 in the Official Public Records of Williamson County, Texas), pursuant to City of Georgetown Resolution No. 022608-F, the TCEQ created WCMUD No. 25 consisting of 249.721 acres of land located on the Remainder Property. On May 31, 2012, WCMUD No. 25, pursuant to City of Georgetown Resolution No. 0522112-T, annexed an additional 246.745 acres of land into the boundaries of WCMUD No. 25 (being out of the Water Oak Property and the Remainder Property). On August 14, 2014, pursuant to City of Georgetown Resolution No. 081214-J, WCMUD No. 25 annexed an additional 48 +/- acres of land into the boundaries of WCMUD No. 25 (being out of the Remainder Property). On February 18, 2020, WCMUD No. 25, pursuant to City of Georgetown Resolution No. 10082019-O, annexed an additional 62.048 acres of land into the boundaries of WCMUD No. 25 (being the 2243 South Tract). On August 17, 2021, WCMUD No. 25, pursuant to City of Georgetown Resolution No. 060821-K, annexed an additional 47.42 acres of land into the boundaries of WCMUD No. 25 (being the 47 Acre Tract out of the GPII Property). On August 20, 2024, WCMUD No. 25, pursuant to City of Georgetown Resolution No. 060821-K, annexed an additional 28.251 acres of land into the boundaries of WCMUD No. 25 (being the Leander ETJ

Tract). WCMUD No. 25 is a discontiguous district, and as of the Effective Date of this Replacement Third CA Amendment consists of 682.08 total acres of land located within the boundaries of the Water Oak Property, portions of the Remainder Property, the 2243 South Tract, the 47 Acre Tract out of the GPII Property, and the Leander ETJ Tract, lying both north and south of FM 2243.

L. On July 1, 2020, pursuant to City of Georgetown Resolution No. 082719-W, the TCEQ created POR MUD No. 1 over approximately 272.512 acres of land out of the Remainder Property. POR MUD No. 1 adopted the Second Consent Agreement by Certificate for Agreement dated August 21, 2020, and recorded under Document No. 2020128407 in the Official Public Records of Williamson County, Texas.

M. On June 9, 2022, pursuant to City of Georgetown Resolution No. 121421-I, the TCEQ created POR MUD No. 2 consisting of 539.542 acres of land out of the Remainder Property. POR MUD No. 2 adopted the Second Consent Agreement by Certificate for Second Amended and Restated Consent Agreement dated August 23, 2022, and recorded under Document No. 2022102057 in the Official Public Records of Williamson County, Texas.

N. On July 12, 2024, pursuant to City of Georgetown Resolution No. 010924-5.G, the TCEQ created POR MUD No. 3 over the 314 Acre Tract. POR MUD No. 3 adopted the Second Consent Agreement by Certificate for Agreement dated August 2, 2024, and recorded under Document No. 2024062652 in the Official Public Records of Williamson County, Texas.

O. City, HM Parkside, and HM-CR entered into that certain Development Agreement Parkside on the River Subdivision (the "*Original Development Agreement*"), dated as of November 19, 2019, and recorded under Document No. 2019117041, which was amended by that certain First Amendment to and Partial Assignment of Development Agreement Parkside on the River Subdivision (the "*First DA Amendment*") dated as of December 8, 2020, and recorded under Document No. 2020162167, Official Public Records of Williamson County, Texas, by and between City, HM Parkside, HM-CR, and HMPK Development, and further amended by that certain Second Amendment to Development Agreement Parkside on the River Subdivision (the "*Second DA Amendment*") dated as of May 25, 2021, and recorded under Document No. 2021082512, Official Public Records of Williamson County, Texas, by and between City, HM Parkside, HMPK Development, HM-CR, and HM GPII, and further amended by that certain Third

Amendment to Development Agreement Parkside on the River Subdivision (the "*Third DA Amendment*") dated as of April 10, 2024, and recorded under Document No. 2024031828 of the Official Public Records of Williamson County, Texas, by and between City, HM Parkside, HMPK Development, HM GPII and HM 2243.

P. HM Parkside acquired a certain 40.2-acre tract of land adjacent to the Remainder Property (the "*Dufner Tract*") which land is more particularly described below. At the time HM Parkside acquired the Dufner Tract, it lay within the City limits. HM Parkside requested the City, among other matters, to disannex the Dufner Tract and consent to POR MUD No. 1's annexation of the Dufner Tract within POR MUD No. 1, and in support of that request, by petition received by the City on January 6, 2026, HM Parkside, the then landowner of the Dufner Tract and the Board of Directors of POR MUD No. 1 requested the City's consent to annex the Dufner Tract within POR MUD No. 1 following its disannexation from the City limits. The City's disannexation of the Dufner Tract from the City limits occurred on April 14, 2026, by Ordinance No. 2026-18 and the City now wishes to consent to the annexation of the Dufner Tract into POR MUD No. 1 as set out below in this Replacement Third CA Amendment.

Q. City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts (defined below) entered into a proposed Third Amendment to the Second Amended and Restated Consent Agreement, dated as of February 10, 2026 (the "*Original Third CA Amendment*") and recorded under Document No. 2026013969 in the Official Public Records of Williamson County, Texas, to further amend the Second Consent Agreement, as amended by the First CA Amendment and Second CA Amendment, to incorporate the Dufner Tract within the Land. The Original Third CA Amendment would become effective only if the conditions set out in Article II, Section 4 thereof (the "*Amendment Conditions*") were met by April 11, 2026. All Amendment Conditions did not occur by that date, so the ***Original Third CA Amendment, although executed and recorded, did not become effective and is not in force and effect***.

R. As of execution of this Replacement Third CA Amendment, all Amendment Conditions are satisfied except annexation of the Dufner Tract by POR MUD No 1, and City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts wish to enter into this Replacement Third CA Amendment to entirely replace the Original Third CA Amendment and to allow the remaining Amendment Condition to be completed.

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development and the Districts agree as follows:

## ARTICLE I
## DISANNEXATION OF THE DUFNER TRACT FROM THE CITY LIMITS

1.01 Annexation and Disannexation. By Ordinances Nos. 2005-101 and 2023-65, the City annexed the Dufner Tract into the corporate boundaries of the City. By Ordinance No. 2026-18, the City disannexed the Dufner Tract from the corporate boundaries of the City on April 14, 2026. The Parties understand and agree that this Replacement Third CA Amendment will have no effect unless and until the Dufner Tract has been annexed into the boundaries of POR MUD No. 1 (except to the extent this Replacement Third CA Amendment or the City's approval thereof may be necessary or convenient to evidence the City's consent to such annexation). HM Parkside and POR MUD No. 1 agree to cause the Dufner Tract to be annexed into the boundaries of POR MUD No. 1 within 60 days after the date of execution of this Replacement Third CA Amendment.

## ARTICLE II

## AMENDMENTS

2.01 Amendments. The Second Consent Agreement, as amended by the First CA Amendment and the Second CA Amendment, is amended as follows:

a. Section 2.02. The following terms are added to the definitions in Section 2.02:

"*1st GPII Property*" means the 33.38 acres out of the 47 Acre Tract described in Special Warranty Deed dated as of September 6, 2024, and recorded under Document No. 2024071340 of the Official Public Records of Williamson County, Texas.

"*2nd GPII Property*" means the 141.19 acres out of the 314 Acre Tract described in Special Warranty Deed dated as of June 3, 2025, and recorded under Document No. 2025042999 of the Official Public Records of Williamson County, Texas.

*"Dufner Tract"* means that certain 40.2 acres of land in the Joseph Thompson Survey, Abstract No. 608, Williamson County, Texas, being

the 17.60-acre tract and a 22.6-acre tract conveyed to HM Parkside by special warranty deed dated January 15, 2026 and recorded in Document No. 2026003622, Official Public Records of Williamson County, Texas; said 40.2 acres is more particularly described by metes and bounds and sketch on the attached **Schedule 11.**

"*HM GPII Development*" means HM GPII Development, Inc., a Texas corporation.

b. Section 2.02. The following terms defined in Section 2.02 are repealed and replaced with the following:

"*Agreement*" means the Second Consent Agreement, as modified by the First CA Amendment, the Second CA Amendment and this Replacement Third CA Amendment.

"*Developer Parties*" means HM Parkside as to the Dufner Tract and all the Remainder Property except the Initial HM Development Property, the 2nd HM Development Property and the 3rd HM Development Property, HMPK Development as to the Initial HM Development Property, the 2nd HM Development Property and the 3rd Development Property; HM 2243 as to the 2243 South Tract and the Leander ETJ Tract; HM GPII as to all GPII Property except the 1st GPII Property and the 2nd GPII Property; HM GPII Development as to the 1st GPII Property and the 2nd GPII Property; LWO as to the Water Oak Property; and their respective permitted assigns under this Agreement, but does not include a Lender unless the Lender forecloses and elects to become a party to this Agreement as permitted by **Section 11.11(h)** and does not include an End Buyer.

"*Districts*" means, collectively, WCMUD No. 25, POR MUD No. 1, POR MUD No. 2 and POR MUD No. 3, whose boundaries and general locations are shown on the attached **Schedule 10.**

"*Land*" means, collectively, the Original Land plus the 2243 South Tract, the GPII Property, the Leander ETJ Tract and the Dufner Tract.

"*Parkside Development Agreement*" means the Development Agreement originally by and between the City, HM Parkside, and HM-CR

pertaining to the development of the Parkside Property, which was approved by the City Council on October 8, 2019 by City Ordinance No. 2019- 69 and recorded under Document No. 2019117041, as amended by First Amendment to and Partial Assignment of Development Agreement Parkside on the River Subdivision dated December 8, 2020, approved by the City Council on December 8, 2020 by City Ordinance No. 2020-84, and recorded under Document No. 2020162167, Official Public Records of Williamson County, Texas, and by Second Amendment to Development Agreement Parkside on the River Subdivision dated to be effective on May 25, 2021 approved by the City Council on May 25, 2021 by City Ordinance No. 2021-40, and recorded under Document No. 2021082512, Official Public Records of Williamson County, Texas, by Third Amendment to Development Agreement Parkside on the River Subdivision dated to be effective on April 10, 2024, approved by the City Council on April 9, 2024 by City Ordinance No. 2024-18 and recorded under Document No. 2024031828, Official Public Records of Williamson County, Texas, and by Replacement Fourth Amendment to Development Agreement Parkside on the River Subdivision dated on or about the date of this Replacement Third CA Amendment.

"*Parkside Party*" means HM Parkside, HMPK Development, HM GPII, HM 2243 and HM GPII Development.

*"Parkside Property*" means collectively, the Remainder Property, the 2243 South Tract, the GPII Property, the Leander ETJ Tract and the Dufner Tract.

*"Parties"* means, collectively, City, the Parkside Parties, LWO, WCMUD No. 25, POR MUD No. 1, POR MUD No. 2, and POR MUD No. 3.

"*POR MUD No. 1*" means Parkside on the River Municipal Utility District No. 1, consisting, after its annexation of the Dufner Tract, of approximately 312.711 acres of land described and shown on **Schedule 9** attached to this Replacement Third CA Amendment.

c. Section 5.06. A new Section 5.06 is added to the Second Consent Agreement (as amended by the First CA Amendment and by the Second CA Amendment) as follows:

5.06. (a) The City acknowledges receipt of POR MUD No. 1's and HM Parkside's January 6, 2026 "Petition for Consent to Annex Land into Parkside on the River Municipal Utility District No. 1", in accordance with Section 54.016 of the Texas Water Code, Section 42.042 of the Texas Local Government Code, and Section 13.10 of the UDC for annexation of the Dufner Tract into POR MUD No. 1.

(b) The City Council hereby consents to the inclusion of the Dufner Tract within the boundaries of POR MUD No. 1. No further action will be required on the part of the City to evidence its consent to the annexation of the Dufner Tract into POR MUD No. 1; however, the City agrees to provide any additional confirmation of its consent that may be required by HM Parkside or POR MUD No. 1 if requested to do so.

(c) POR MUD No. 1 shall provide the City with certified copies of all orders or resolutions effectuating the lawful annexation of the Dufner Tract into POR MUD No. 1 within ten (10) days after the effective date of same.

d. Section 7.04. Section 7.04 is repealed and replaced with the following:

7.04 (a) Except for the Dufner Tract, no additional land may be annexed into the boundaries of POR MUD No. 1 except by written amendment to this Agreement and the Development Agreement pursuant to a written petition for annexation jointly executed by the Board of Directors of POR MUD No. 1 and the landowner(s) filed with the City Secretary meeting the requirements of this Agreement, and the City's express written consent to the annexation as evidenced by a signed resolution of the City Council.

(b) No additional land may be annexed into the boundaries of POR MUD No. 2 except by written amendment to this Agreement and the Development Agreement pursuant to a written petition for annexation jointly executed by the Board of Directors of POR MUD No. 2 and the landowner(s) filed with the City Secretary meeting the requirements of this Agreement, and the City's express written consent to the annexation as evidenced by a signed resolution of the City Council.

(c) No additional land may be annexed into the boundaries of POR MUD No. 3 except by written amendment to this Agreement and the Development Agreement pursuant to a written petition for annexation jointly executed by the Board of Directors of POR MUD No. 3 and the landowner(s) filed with the City Secretary meeting the requirements of this Agreement, and the City's express written consent to the annexation as evidenced by a signed resolution of the City Council.

e. Section 7.05. Section 7.05 is repealed.

f. Section 14.01. Section 14.01 is hereby repealed and replaced with the following:

**"14.01. Notice.** All notices, requests or other communications required or permitted by this Agreement shall be in writing and shall be sent by (i) overnight courier or hand delivery, or (ii) certified mail, postage prepaid, return receipt requested, and addressed to the parties at the following addresses:

HM Parkside:
HMPK Development
HM GPII
HM 2243
HM GPII Development:

HM Parkside, LP
HM GPII, LP
HM Parkside Development, Inc.
HM 2243 Development, Inc.
HM GPII Development, Inc.
P.O. Box 5397
Austin, Texas 78763-5397
Attn.: Blake J. Magee

*With a required copy to:*

Hurst, Savage & Vanderburg, LLP
814 W. 10th Street
Austin, Texas 78701
Attn.: Ann Engles Vanderburg

City: City Manager
City of Georgetown
808 Martin Luther King Jr. St.
Georgetown, Texas 78626

*With a required copy to:*
City Attorney
City of Georgetown
809 Martin Luther King Jr. St.
Georgetown, Texas 78626

**WCMUD No. 25**: Williamson County Municipal Utility District No. 25
c/o Allen Boone Humphries Robinson LLP
1108 Lavaca Street, Suite 510
Austin, Texas 78701
Attn: Mr. Trey Lary
Phone: (512) 518-2424

**POR MUD No. 1:**
**POR MUD No. 2:**
**POR MUD No. 3:** Parkside on the River MUD No. 1
Parkside on the River MUD No. 2
Parkside on the River MUD No. 3
c/o Armbrust & Brown, PLLC
100 Congress Avenue, Suite 1300
Austin, Texas 78701
Attn: Mr. John Bartram
Phone: (512) 435-2300

2.02 Defined Terms. Capitalized terms used in this Replacement Third CA Amendment that are not otherwise defined shall have the meanings set forth in the Second Consent Agreement, First CA Amendment, or Second CA Amendment as applicable.

2.03 Counterparts. This Replacement Third CA Amendment may be executed in multiple counterparts, each of which shall be deemed an original instrument, and all of which, taken together, shall constitute one and the same instrument. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.

2.04 Effective Date. This Replacement Third CA Amendment will become effective as to the City, the Parkside Parties and the Districts if the Dufner Tract is annexed into the boundaries of POR MUD No. 1 before the date that is sixty (60) days after the City Council has approved this Replacement Third CA Amendment. If the foregoing condition is not met before the date that is sixty (60) days after the City Council approves this Replacement Third CA Amendment, this Replacement Third CA Amendment will automatically terminate and be null and void and have no force or effect.

2.05 Recording. This Third CA Amendment will be recorded in the Official Records of Williamson County, Texas by HM Parkside at its expense.

2.06 Original Third CA Amendment. This Replacement Third CA Amendment supersedes in its entirety and replaces the Original Third CA Amendment. The Original Third CA Amendment never became effective and by this reference is deemed removed from the Public Records. Notwithstanding the foregoing, and for the avoidance of doubt, all actions taken by the City pursuant to the Original Third CA Amendment including, without limitation, the disannexation of the Dufner Tract from the corporate boundaries of the City, are in all respects, approved, ratified, and confirmed.

EXHIBIT LIST

| | |
|---|---|
| Schedule 9 | POR MUD No. 1 metes and bounds and sketch |
| Schedule 10 | Boundary Map showing WCMUD No. 25, POR MUD Nos. 1-3 |
| Schedule 11 | Dufner Tract metes and bounds and sketch |

[*Signature Pages to Follow*]

**CITY OF GEORGETOWN, TEXAS**

By:_____
Printed Name: Josh Schroeder
Title: Mayor

ATTEST:

By:_____
Robyn Densmore, City Secretary

APPROVED AS TO FORM:

By:_____
Skye Masson, City Attorney

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me the ____ day of _____, 2026, by Josh Schroeder, Mayor of the City of Georgetown, Texas, a home-rule city, on behalf of the City.

(*seal*)

_____
Notary Public State of Texas

**HM PARKSIDE, LP**, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation, General Partner

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me the ____ day of _____, 2026, by Blake J. Magee, President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HM PARKSIDE, LP, a Texas limited partnership, on behalf of said corporation and partnership.

(*seal*)

_____
Notary Public State of Texas

**HM PARKSIDE DEVELOPMENT, INC.**, a Texas corporation

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me the ____ day of _____, 2026, by Blake J. Magee, President of HM PARKSIDE DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

*(seal)*

_____
Notary Public State of Texas

**HM GPII, LP**, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation, General Partner

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me the ____ day of _____, 2026, by Blake J. Magee, President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HM GPII, LP, a Texas limited partnership, on behalf of said corporation and partnership.

(*seal*)

_____
Notary Public State of Texas

**HM 2243 DEVELOPMENT INC.,** a Texas corporation

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me the ____ day of _____, 2026, by Blake J. Magee, President of HM 2243 DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(*seal*)

_____
Notary Public State of Texas

**HM GPII DEVELOPMENT INC.,** a Texas corporation

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me the ____ day of _____, 2026, by Blake J. Magee, President of HM GPII DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(*seal*)

_____
Notary Public State of Texas

**WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 25**

By:_____

Printed Name:_____

Title:_____

ATTEST:

By:_____

Printed Name:_____

Title:_____

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, President of the Board of Directors of the Williamson County Municipal Utility District No. 25, a municipal utility districting operating under Chapters 49 and 54 of the Texas Water Code.

(*seal*)

By:_____
Notary Public, State of Texas

**PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 1**

By:_____

Printed Name:_____

Title:_____

ATTEST:

By:_____

Printed Name:_____

Title:_____

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, President of the Board of Directors of the Parkside on the River Municipal Utility District No. 1, a municipal utility districting operating under Chapters 49 and 54 of the Texas Water Code.

(*seal*)

By:_____
Notary Public, State of Texas

**PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 2**

By:_____

Printed Name:_____

Title:_____

ATTEST:

By:_____

Printed Name:_____

Title:_____

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, President of the Board of Directors of the Parkside on the River Municipal Utility District No. 2, a municipal utility districting operating under Chapters 49 and 54 of the Texas Water Code.

(*seal*)

By:_____
Notary Public, State of Texas

**PARKSIDE ON THE RIVER MUNICIPAL UTILITY DISTRICT NO. 3**

By:_____

Printed Name:_____

Title:_____

ATTEST:

By:_____

Printed Name:_____

Title:_____

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, President of the Board of Directors of the Parkside on the River Municipal Utility District No. 3, a municipal utility districting operating under Chapters 49 and 54 of the Texas Water Code.

(*seal*)

By:_____
Notary Public, State of Texas

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Resolution - Nomination of Hunt Electric Corporation dba Baer Manufacturing for the Texas Enterprise Zone Program**

SUGGESTED ACTION:
Consideration and possible action to approve a Resolution nominating Hunt Electric Corporation dba Baer Manufacturing for the Texas Enterprise Zone Program -- Cameron Goodman, Economic Development Director

ITEM SUMMARY:
The Texas Enterprise Zone program is an incentive program offered by the State of Texas. This resolution of support is a required step in the application process that companies must complete to be considered for approval in this state program. This resolution of support and the enterprise program would not involve the use of city funds. Participation in this program would not reduce the amount of city sales taxes that are collected in connection with this project.

The Texas Enterprise Zone Program is a state sales and use tax refund program designed to encourage private investment and job creation. Local communities must nominate a business for enterprise project designation to be considered to receive state sales and use tax refunds on qualified expenditures.

An enterprise project is eligible for a refund of the taxes imposed by the Texas Tax Code on all taxable items purchased for use at the qualified business site related to the project or activity during the designation period.
Companies must contribute information in the application packet, meet minimum capital investment thresholds and create and/or retain jobs that employ a certain percentage of economically disadvantaged individuals, enterprise zone residents or veterans. The amount of refund is related to the capital investment and jobs created at a qualified business site.

Eligibility Details

1. Jobs counted for benefit must have an average weekly wage which meets or exceeds the average county weekly wage in the county which the qualified business site is located.
2. Each community has a limited number of designations available per biennium; communities with a population at or above 250,000 have 9 designations available per biennium, while communities with a population of less than 250,000 have 6 designations available.
3. Employment (new and retained jobs) and capital investment commitments must be met prior to the expiration of the designation period.
4. A company must first pay the applicable state sales and use tax on qualified expenditures to receive a refund of those taxes.
5. The percentage of a project's new employees who must meet economically disadvantaged, enterprise zone residency, or veteran requirement varies depending on whether the qualified business site is located inside or outside of an Enterprise Zone - state-designated area with economically depressed conditions.

   a. If located within a Zone, 25% of the company's new employees at the qualified business site must meet economically disadvantaged, enterprise zone residency or veteran requirements.
   b. If located outside a Zone, 35% of the company's new employees at the qualified business site must meet economically disadvantaged, enterprise zone residency, or veteran requirements.
6. Only full-time jobs qualify for EZP award consideration.
7. Jobs must be maintained through the end of the designation period, or for at least 3 years after the date on which tax benefits are received, whichever is later.

FINANCIAL IMPACT:
N/A - No cost to the City of Georgetown

SUBMITTED BY:
Shelly Sommerfeld, Economic Development plus

ATTACHMENTS:
Resolution Nominating Hunt Electric dba Baer Enterprise Zone project.pdf

**RESOLUTION NO. _____**

**AN RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, NOMINATING HUNT ELECTRIC CORPORATION, A MINNESOTA CORPORATION, DOING BUSINESS AS BAER MANUFACTURING FOR TEXAS ENTERPRISE ZONE PROJECT; AND PROVIDING FOR AN EFFECTIVE DATE;**

**WHEREAS,** the City of Georgetown, Texas ("City") has previously passed Ordinance No. 2004-48 adopted August 24, 2004, electing to participate in the Texas Enterprise Zone Program, and the local incentives offered under this Resolution are the same on this date as were outlined in Ordinance No. 2004-48; and

**WHEREAS,** the City Council previously approved as resolution nominating Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing for Texas Enterprise Zone Project and desire to correct a scrivener's error contained therein and

**WHEREAS,** the Office of the Governor Economic Development and Tourism ("EDC") through the Economic Development Bank ("Bank") will consider Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing as an enterprise project pursuant to a nomination and an application made by the City; and

**WHEREAS,** the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals; and

**WHEREAS,** pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the "Act"), Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing. has applied to the City for designation as an enterprise project; and

**WHEREAS,** the City finds that Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site not located in an enterprise zone and at least twenty-five percent (25.0%) of the business' new employees will be residents of an enterprise zone, economically disadvantaged individuals, or veterans; and

2. There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and

3. The designation of Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

**WHEREAS,** the City finds that Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing, meets the criteria for tax relief and other incentives adopted by the City and nominates Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing for enterprise project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

**WHEREAS,** the City Council finds that it is in the best interest of the public to nominate Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing as an enterprise project pursuant to the Act;

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS:**

**Section 1.** The meeting at which this resolution was approved was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 2.** The facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 3:** Hunt Electric Corporation, a Minnesota corporation, doing business as Baer Manufacturing is a "qualified business", as defined in Section 2303.402 of the Act, and meets the criteria for designation as an enterprise project, as set forth in Section 2303, Subchapter F of the Act.

**Section 4:** The enterprise project shall take effect on the date of designation of the enterprise project by the agency and terminate five (5) years after the designation.

**Section 5**: All resolutions that conflict with the provisions of this resolution are hereby repealed, and all other resolutions of the City not in conflict with the provisions of this resolution shall remain in full force and effect.

**Section 6**: If any provision of this resolution, or application thereof, to any person or circumstance, shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this resolution, which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are hereby declared to be severable.

**Section 7**: The Mayor is hereby authorized to sign this resolution and the City Secretary to attest. This resolution shall become effective and be in full force and effect immediately in accordance with the provisions of the City Charter of the City of Georgetown.

**PASSED AND APPROVED on the _____of _____, 2026.**

**ATTEST:**

_____
Robyn Densmore, City Secretary

**THE CITY OF GEORGETOWN:**

_____
Josh Schroeder, Mayor

**APPROVED AS TO FORM:**

_____
Skye Masson, City Attorney

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Resolution - Amendment to Airport Leasing Policy to add Condo Regime Leaseholds**

SUGGESTED ACTION:
Consideration and possible action to approve an Amendment to the Airport Leasing Policy adding considerations for approving condominium leaseholds for new development -- Eric Johnson, Public Works Director, and Matthew Sommerfeld, Airport Manager

ITEM SUMMARY:

City staff is requesting Council adopt the attached resolution updating the Airport Leasing Policy to include condominium leaseholds. The Airport Leasing Policy update allows City staff to consider condominium leaseholds for new development within certain areas designated by the Airport and in consideration with the following factors: capital investment, aircraft activity, infrastructure utilization, fuel flowage, development and operational compatibility, and long-term benefit to the Airport.

This Airport Leasing Policy update also allows the City staff to recommend including additional rent in leases where the type of development increases operational expenses.

FINANCIAL IMPACT:
N/A

SUBMITTED BY:
Karen Frost, Public Works

ATTACHMENTS:
Exhibit A_Leasing Policy Amendment Section III_6.9.2026_redline.pdf
RES_Airport Leasing Policy_6.9 Council Date.pdf

## EXHIBIT A

## SECTION III
## LEASE RATES, TERMS, AND PROVISIONS

**Rates and Charges**

TxDOT/FAA guidelines require that the Airport be as financially self-sustaining as possible. Whenever possible, rental rates for unimproved Airport land or existing hangars and related facilities used for commercial aviation activities are set at market value of the property in use ("base rent"). Market value will be determined through an appraisal or market analysis of comparable parcels or structures undertaken by the Airport. A rate adjustment based on the Consumer Price Index-Urban (CPI-U) for the Dallas-Fort Worth region will be applied to leases on either a regular basis, but no more than annually, between appraisals to facilitate parity between new and longstanding tenants. In an effort to stimulate economic development, support aviation industry growth, and encourage airport property development, the Airport may consider a reduction in base rent for the following property uses:

1. Large Scale Development
2. Aeronautical Manufacturing
3. Substantial aviation-related educational facilities (such as an FAA-certified A&P Program or a Flight Training Program)
4. Any commercial business that creates and maintains new jobs that pay, on average, no less than 115 percent of the average annual wage for City of Georgetown, as determined by the City of Georgetown Office of Business and Economic Development

Certain types of development may incur additional oversight costs to Airport operations. Therefore, the Airport may require additional rent commensurate with the projected additional oversight costs ("additional rent"). Additional rent is subject to a rate adjustment no more than annually in accordance with the calculation described above.

Each Airport tenant, subtenant, licensee, or occupant user of the Airport shall pay the then applicable and appropriate rent or fee for such tenancy or use. Operating expenses may also be included in Airport Leases for the cost of upkeep and maintenance of common areas and facilities in and adjacent to the leased areas. Each airport lessee will be required to pay Williamson County Property taxes.

**Terms of Lease**

All Leases: Each lease will be evaluated on its own merit. The current maximum term length is determined by the more restrictive of current City of Georgetown Ordinance, TXDOT, or the FAA. The lease may be written to have an initial term length with one or more extension periods. The total length will not exceed the limits set previously. All lease lengths shall be at the sole discretion of the City. At the expiration of an existing lease the Title to Lease rules will take effect. See below.

Long Term Ground Leases: The Georgetown Executive Airport at Johnny Gantt Field recognizes that allowing tenants to amortize their investments over a longer period of time can encourage further investment in Airport property. To this end, the Airport will consider entering into a lease with a term up to the maximum limit allowed by current City of Georgetown Ordinance, TXDOT, or the FAA (the more restrictive limit applying) in those instances where a potential tenant has demonstrated to the Airport's satisfaction that they are prepared to make a significant investment in one or more of the following areas:

a. Make a significant initial capital investment in new construction on the property.
b. Make a significant capital investment in existing leasehold improvements.
c. Create (and maintain) a significant number of new jobs, at higher-than-average wages.
d. Make a significant investment in the extension of public infrastructure that will benefit the Airport as a whole (i.e., roads, water, sewer, navigation aids, etc.).

Business Retention Considerations. The Airport recognizes the importance of retaining existing businesses that contribute substantially to the local economy. To this end, the Airport may consider entering into a new lease with an existing tenant for a term up to the maximum limit allowed by TXDOT or the FAA (the more restrictive limit applying).

**Title to Improvements**

Title to all fixed improvements constructed or installed on leased or licensed premises shall remain with the Lessee or Licensee during the term, and any renewals thereto, of the Agreement. Upon termination of the Agreement, said improvements shall become the property of the Airport or, at the Airport's sole option, the Airport may require the Lessee to remove said improvements and restore the property to its original condition, all at no cost to the Airport or the City of Georgetown.

**Reversion After Ground Lease Term**

Following expiration of a Ground Lease, the land and structures thereon may be leased by the Airport under short-term Facility Leases, typically 1-5 years in duration, at market rates. These leases will be for the property and the building, with the ownership of said property and building residing with the Airport. For larger tracts, the lease rate will typically be predicated upon an appraisal done by an MAI who will set the base rate for the property and building. This information will be available to the prospective tenant.

**Materials**

Terminal Building: The Airport will provide structural maintenance, heat and light, but will not provide janitorial service, revamping or other day-to-day services in any tenant's leased or licensed area unless the applicable agreement specifies that the Airport shall be compensated for such services.

Airfield: The Airport will maintain all public use runways, taxiways, and aprons. Ramps and aprons leased or otherwise provided to sub-tenants or any other occupants will be maintained by the sub-tenants or occupant of any description as annotated in each respective lease.

Land and Building: Tenants may be required to provide all maintenance of land and utility services to leased or licensed land and/or buildings. The Airport shall be sole judge of the quality of maintenance and, upon written notice, may require immediate improved maintenance. If such maintenance is not performed, the Airport may perform such maintenance and invoice the costs of the maintenance to the Lessee, Licensee, or occupant. Non-payment of invoices will be grounds to terminate the agreement that allows the occupant to occupy the property or conduct the activities.

**Assignments/Subletting/Sale of Stock/Sale of Facilities Constructed**

The operation of any tenant on the Airport shall be for the public interest and furtherance of Airport activity. Tenants are entrusted with the duty and obligation of providing the public with the highest level of services and facilities, and it is therefore, necessary that the tenant's activities and/or operations be subject to continuing scrutiny by the Airport Manager or Designee, and that the tenant always operate in a businesslike fashion, efficiently and always with courtesy to the public and to the staff of the Airport. For these reasons, the following shall be always be required of tenants:

The Airport shall retain total control and exercise sole discretion over the assignment or any method of changing or delivering to others any of the functions to be performed by the tenant, and any such assignment shall have prior written approval by the Airport Manager or Designee.

Tenant may sublease a part of the leased area to others only after first receiving written approval from the Airport Manager.

**Condominium Regime Leaseholds**

Condominium leasehold developments may be considered for new development within areas designated for such development by the Airport. The following factors will be considered with a request for a condominium leasehold: capital investment, aircraft activity, infrastructure utilization, fuel flowage, development and operational compatibility, and long-term benefit to the airport. Condominium leasehold developments shall remain subject to all applicable Airport Rules and Regulations, Minimum Standards, FAA Grant Assurances, and all terms and conditions of the applicable Airport ground lease

**Public Service Goals**

The FAA encourages airport sponsors to establish "Minimum Standards" for providing services to the general public at an airport. The Georgetown Minimum Standards are published on the City of Georgetown website ( https://georgetowntexas.gov/transportation/georgetown_executive_airport_at_johnny_gantt_field /) and are automatically incorporated into each lease in order to ensure the level of public service is of a high quality, consistent with the goals of the Airport. Remedy clauses will be included in all lease agreements for inadequate performance, the quality of which will be determined solely by the Airport Manager or Designee.

**Encumbrances**

The Airport may permit a tenant to subordinate leasehold-owned improvements (NOT LAND) for financing purposes, with a mortgage approved by the Airport Manager or Designee. If such an arrangement is permitted the mortgagee may be granted the right to cure any default including the assumption of the lease. This encumbrance provision will assist private investment in financing capital improvements, protect the mortgagee's interest, and does not endanger the interest of the Airport. NOTICE: Obligations to pay rent and charges to the Airport shall not be subordinated.

**Indemnification and Insurance**

To the maximum extent permitted by Texas law, the tenant shall indemnify and hold harmless Georgetown Executive Airport at Johnny Gantt Field, City of Georgetown, its officers and employees and contacts from any and all liabilities, damages, losses and costs, including, but not limited to, reasonable attorneys' fees and paralegals' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Lessee or anyone employed or utilized by the Lessee in the performance of this Agreement. This indemnification obligation shall not be construed to negate, abridge, or reduce any other rights or remedies which otherwise may be available to an indemnified party or person described in this paragraph. This does not pertain to any incident arising from the sole negligence of the Airport.

The Tenant shall provide all insurance deemed appropriate by the Airport Manager or Designee, as determined by the City of Georgetown Safety & Risk Management Division.

**Taxes**

Williamson Central Appraisal District (WCAD) requires that all building owners/lessees will pay a property tax on the lease amount for the year. It is the responsibility of the lessee to pay their property tax. If your aircraft is registered under a business that is based here, there will be a tax paid. Federal, state, or local taxes not paid by Lessee or Licensee may be deemed sufficient cause to cancel or terminate the lease.

**Rules and Regulations**

Airport rules and regulations shall be a part of each lease. Such regulations may be amended from time-to-time by the Airport including such reasonable and uniform landing fees, rates or charges, as may from time to time be levied for airfield operational privileges and/or services provided at the Airport. Lessee shall also comply with any and all applicable governmental statutes, rules, orders, and regulations. A violation of any Airport rule or regulation may be deemed sufficient cause for lease cancellation or termination by the Airport.

**Appraisals**

Appraisals may be used for determining the Fair Market Value (FMV) of the highest and best use of land and/or facilities the Airport leases. The Airport may require a prospective tenant to pay for an appraisal and may reasonably withhold approval of a proposed appraisal firm lacking demonstrated experience in airport appraisals. Once an appraisal is conducted for land and/or facilities, the Airport may apply the appraisal on other similar land and/or facilities for up to five (5) years. If five years have lapsed since an appraisal has been conducted, a new appraisal for that category may be conducted if it is determined that the prior appraisal is out of date. In lieu of appraisals the Airport may, at its option, apply airport industry standards for determining the FMV of granting privileges and leasing land and/or facilities for aviation related or airport support agreements.

**Variance**

Prospective tenants who cannot meet the criteria identified in this Leasing Policy may make application for variance through the Airport Manager or Designee. Upon reviewing justification for such application, the Airport will submit the request to the Georgetown Transportation Advisory Board, who may or may not recommend approval to the Georgetown City Council. The City Council may grant a variance by affirmative majority vote during one voting session. Variances are not favored and there must exist compelling reasons for the granting of any variance. The basis for the variance must always be beyond the control of the applicant for the variance. Economic hardship shall never be a valid basis upon which to grant any variance.

**Zoning**

All leases shall remain consistent with the Airport Master Plan, Airport Development Standards, and the Airport Layout Plan (ALP), as well as the City of Georgetown Comprehensive Land Use Plan.

**Dominant Agreements**

Any Lease, License or Operating Agreement with the Airport is subject to all existing agreements between the Airport and the Federal Aviation Administration (FAA), the Airport and the State of

Texas, and the Airport and City of Georgetown. Leases, Licenses and SASOs are sometimes subject to FAA approval, which approval may be withdrawn. Accordingly, the Airport reserves the right to immediately terminate any lease that the FAA has found to interfere with the safe operation and maintenance of the airport, or otherwise conflict with regulations governing public-use airports. Furthermore, and during the time of war or national emergency, the Airport shall have the right to lease the landing area or any part thereof to the United States Government for military or naval or similar use, and, if such lease is executed, the provisions of this Lease insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

**Other Lease Provisions**

This Leasing Policy does not include all of the provisions of Airport leases.

**RESOLUTION NO. _____**

**AN RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, UPDATING SECTION III OF THE GEORGETOWN EXECUTIVE AIRPORT AT JOHNNY GANTT FIELD LEASING POLICY REGARDING CONDOMINIUM LEASEHOLDS; REPEALING CONFLICTING RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City has received requests to consider condominium leaseholds as a development method at the Georgetown Executive Airport ("Airport"); and

**WHEREAS**, the City Council has determined that leasehold condominium development may be permissible for new development, subject to the Johnny Gantt Field Leasing Policy (hereafter "Airport Leasing Policy");

**WHEREAS**, the City Council, in order to ensure compliance with FAA regulations and FAA grant assurances, and to ensure the Airport's benefits continue to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination; and to ensure the City continues to operate the Airport as self-sustaining as possible; therefore finds that updating Section III of the Airport Leasing Policy will be in the best interest of the public and the Georgetown Executive Airport, as set out herein.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS:**

**Section 1.** The meeting at which this resolution was approved was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 2.** The facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 3.** The Section III of the Leasing Policy is updated as stated herein as Exhibit A and is hereby adopted.

**Section 4.** All resolutions that conflict with the provisions of this resolution are hereby repealed, and all other resolutions of the City not in conflict with the provisions of this resolution shall remain in full force and effect.

**Section 5.** If any provision of this resolution, or application thereof, to any person or circumstance, shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this resolution, which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are hereby declared to be severable.

**Section 6.** The Mayor is hereby authorized to sign this resolution and the City Secretary to attest. This resolution shall become effective and be in full force and effect immediately in accordance with the provisions of the City Charter of the City of Georgetown.

**PASSED AND APPROVED on the 9th day of June, 2026.**

**ATTEST:**

_____
Robyn Densmore, City Secretary

**THE CITY OF GEORGETOWN:**

_____
Josh Schroeder, Mayor

**APPROVED AS TO FORM:**

_____
Skye Masson, City Attorney

## EXHIBIT A

## SECTION III
## LEASE RATES, TERMS, AND PROVISIONS

**Rates and Charges**

TxDOT/FAA guidelines require that the Airport be as financially self-sustaining as possible. Whenever possible, rental rates for unimproved Airport land or existing hangars and related facilities used for commercial aviation activities are set at market value of the property in use ("base rent"). Market value will be determined through an appraisal or market analysis of comparable parcels or structures undertaken by the Airport. A rate adjustment based on the Consumer Price Index-Urban (CPI-U) for the Dallas-Fort Worth region will be applied to leases on either a regular basis, but no more than annually, between appraisals to facilitate parity between new and longstanding tenants. In an effort to stimulate economic development, support aviation industry growth, and encourage airport property development, the Airport may consider a reduction in base rent for the following property uses:

1. Large Scale Development
2. Aeronautical Manufacturing
3. Substantial aviation-related educational facilities (such as an FAA-certified A&P Program or a Flight Training Program)
4. Any commercial business that creates and maintains new jobs that pay, on average, no less than 115 percent of the average annual wage for City of Georgetown, as determined by the City of Georgetown Office of Business and Economic Development

Certain types of development may incur additional oversight costs to Airport operations. Therefore, the Airport may require additional rent commensurate with the projected additional oversight costs ("additional rent"). Additional rent is subject to a rate adjustment no more than annually in accordance with the calculation described above.

Each Airport tenant, subtenant, licensee, or occupant user of the Airport shall pay the then applicable and appropriate rent or fee for such tenancy or use. Operating expenses may also be included in Airport Leases for the cost of upkeep and maintenance of common areas and facilities in and adjacent to the leased areas. Each airport lessee will be required to pay Williamson County Property taxes.

**Terms of Lease**

All Leases: Each lease will be evaluated on its own merit. The current maximum term length is determined by the more restrictive of current City of Georgetown Ordinance, TXDOT, or the FAA. The lease may be written to have an initial term length with one or more extension periods. The total length will not exceed the limits set previously. All lease lengths shall be at the sole discretion of the City. At the expiration of an existing lease the Title to Lease rules will take effect. See below.

Long Term Ground Leases: The Georgetown Executive Airport at Johnny Gantt Field recognizes that allowing tenants to amortize their investments over a longer period of time can encourage further investment in Airport property. To this end, the Airport will consider entering into a lease with a term up to the maximum limit allowed by current City of Georgetown Ordinance, TXDOT, or the FAA (the more restrictive limit applying) in those instances where a potential tenant has demonstrated to the Airport's satisfaction that they are prepared to make a significant investment in one or more of the following areas:

a. Make a significant initial capital investment in new construction on the property.
b. Make a significant capital investment in existing leasehold improvements.
c. Create (and maintain) a significant number of new jobs, at higher-than-average wages.
d. Make a significant investment in the extension of public infrastructure that will benefit the Airport as a whole (i.e., roads, water, sewer, navigation aids, etc.).

Business Retention Considerations. The Airport recognizes the importance of retaining existing businesses that contribute substantially to the local economy. To this end, the Airport may consider entering into a new lease with an existing tenant for a term up to the maximum limit allowed by TXDOT or the FAA (the more restrictive limit applying).

**Title to Improvements**

Title to all fixed improvements constructed or installed on leased or licensed premises shall remain with the Lessee or Licensee during the term, and any renewals thereto, of the Agreement. Upon termination of the Agreement, said improvements shall become the property of the Airport or, at the Airport's sole option, the Airport may require the Lessee to remove said improvements and restore the property to its original condition, all at no cost to the Airport or the City of Georgetown.

**Reversion After Ground Lease Term**

Following expiration of a Ground Lease, the land and structures thereon may be leased by the Airport under short-term Facility Leases, typically 1-5 years in duration, at market rates. These leases will be for the property and the building, with the ownership of said property and building residing with the Airport. For larger tracts, the lease rate will typically be predicated upon an appraisal done by an MAI who will set the base rate for the property and building. This information will be available to the prospective tenant.

**Materials**

Terminal Building: The Airport will provide structural maintenance, heat and light, but will not provide janitorial service, revamping or other day-to-day services in any tenant's leased or licensed area unless the applicable agreement specifies that the Airport shall be compensated for such services.

Airfield: The Airport will maintain all public use runways, taxiways, and aprons. Ramps and aprons leased or otherwise provided to sub-tenants or any other occupants will be maintained by the sub-tenants or occupant of any description as annotated in each respective lease.

Land and Building: Tenants may be required to provide all maintenance of land and utility services to leased or licensed land and/or buildings. The Airport shall be sole judge of the quality of maintenance and, upon written notice, may require immediate improved maintenance. If such maintenance is not performed, the Airport may perform such maintenance and invoice the costs of the maintenance to the Lessee, Licensee, or occupant. Non-payment of invoices will be grounds to terminate the agreement that allows the occupant to occupy the property or conduct the activities.

**Assignments/Subletting/Sale of Stock/Sale of Facilities Constructed**

The operation of any tenant on the Airport shall be for the public interest and furtherance of Airport activity. Tenants are entrusted with the duty and obligation of providing the public with the highest level of services and facilities, and it is therefore, necessary that the tenant's activities and/or operations be subject to continuing scrutiny by the Airport Manager or Designee, and that the tenant always operate in a businesslike fashion, efficiently and always with courtesy to the public and to the staff of the Airport. For these reasons, the following shall be always be required of tenants:

The Airport shall retain total control and exercise sole discretion over the assignment or any method of changing or delivering to others any of the functions to be performed by the tenant, and any such assignment shall have prior written approval by the Airport Manager or Designee.

Tenant may sublease a part of the leased area to others only after first receiving written approval from the Airport Manager.

**Condominium Regime Leaseholds**

Condominium leasehold developments may be considered for new development within areas designated for such development by the Airport. The following factors will be considered with a request for a condominium leasehold: capital investment, aircraft activity, infrastructure utilization, fuel flowage, development and operational compatibility, and long-term benefit to the airport. Condominium leasehold developments shall remain subject to all applicable Airport Rules and Regulations, Minimum Standards, FAA Grant Assurances, and all terms and conditions of the applicable Airport ground lease

**Public Service Goals**

The FAA encourages airport sponsors to establish "Minimum Standards" for providing services to the general public at an airport. The Georgetown Minimum Standards are published on the City of Georgetown website ( https://georgetowntexas.gov/transportation/georgetown_executive_airport_at_johnny_gantt_field /) and are automatically incorporated into each lease in order to ensure the level of public service is of a high quality, consistent with the goals of the Airport. Remedy clauses will be included in all lease agreements for inadequate performance, the quality of which will be determined solely by the Airport Manager or Designee.

**Encumbrances**

The Airport may permit a tenant to subordinate leasehold-owned improvements (NOT LAND) for financing purposes, with a mortgage approved by the Airport Manager or Designee. If such an arrangement is permitted the mortgagee may be granted the right to cure any default including the assumption of the lease. This encumbrance provision will assist private investment in financing capital improvements, protect the mortgagee's interest, and does not endanger the interest of the Airport. NOTICE: Obligations to pay rent and charges to the Airport shall not be subordinated.

**Indemnification and Insurance**

To the maximum extent permitted by Texas law, the tenant shall indemnify and hold harmless Georgetown Executive Airport at Johnny Gantt Field, City of Georgetown, its officers and employees and contacts from any and all liabilities, damages, losses and costs, including, but not limited to, reasonable attorneys' fees and paralegals' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Lessee or anyone employed or utilized by the Lessee in the performance of this Agreement. This indemnification obligation shall not be construed to negate, abridge, or reduce any other rights or remedies which otherwise may be available to an indemnified party or person described in this paragraph. This does not pertain to any incident arising from the sole negligence of the Airport.

The Tenant shall provide all insurance deemed appropriate by the Airport Manager or Designee, as determined by the City of Georgetown Safety & Risk Management Division.

**Taxes**

Williamson Central Appraisal District (WCAD) requires that all building owners/lessees will pay a property tax on the lease amount for the year. It is the responsibility of the lessee to pay their property tax. If your aircraft is registered under a business that is based here, there will be a tax paid. Federal, state, or local taxes not paid by Lessee or Licensee may be deemed sufficient cause to cancel or terminate the lease.

**Rules and Regulations**

Airport rules and regulations shall be a part of each lease. Such regulations may be amended from time-to-time by the Airport including such reasonable and uniform landing fees, rates or charges, as may from time to time be levied for airfield operational privileges and/or services provided at the Airport. Lessee shall also comply with any and all applicable governmental statutes, rules, orders, and regulations. A violation of any Airport rule or regulation may be deemed sufficient cause for lease cancellation or termination by the Airport.

**Appraisals**

Appraisals may be used for determining the Fair Market Value (FMV) of the highest and best use of land and/or facilities the Airport leases. The Airport may require a prospective tenant to pay for an appraisal and may reasonably withhold approval of a proposed appraisal firm lacking demonstrated experience in airport appraisals. Once an appraisal is conducted for land and/or facilities, the Airport may apply the appraisal on other similar land and/or facilities for up to five (5) years. If five years have lapsed since an appraisal has been conducted, a new appraisal for that category may be conducted if it is determined that the prior appraisal is out of date. In lieu of appraisals the Airport may, at its option, apply airport industry standards for determining the FMV of granting privileges and leasing land and/or facilities for aviation related or airport support agreements.

**Variance**

Prospective tenants who cannot meet the criteria identified in this Leasing Policy may make application for variance through the Airport Manager or Designee. Upon reviewing justification for such application, the Airport will submit the request to the Georgetown Transportation Advisory Board, who may or may not recommend approval to the Georgetown City Council. The City Council may grant a variance by affirmative majority vote during one voting session. Variances are not favored and there must exist compelling reasons for the granting of any variance. The basis for the variance must always be beyond the control of the applicant for the variance. Economic hardship shall never be a valid basis upon which to grant any variance.

**Zoning**

All leases shall remain consistent with the Airport Master Plan, Airport Development Standards, and the Airport Layout Plan (ALP), as well as the City of Georgetown Comprehensive Land Use Plan.

**Dominant Agreements**

Any Lease, License or Operating Agreement with the Airport is subject to all existing agreements between the Airport and the Federal Aviation Administration (FAA), the Airport and the State of

Texas, and the Airport and City of Georgetown. Leases, Licenses and SASOs are sometimes subject to FAA approval, which approval may be withdrawn. Accordingly, the Airport reserves the right to immediately terminate any lease that the FAA has found to interfere with the safe operation and maintenance of the airport, or otherwise conflict with regulations governing public-use airports. Furthermore, and during the time of war or national emergency, the Airport shall have the right to lease the landing area or any part thereof to the United States Government for military or naval or similar use, and, if such lease is executed, the provisions of this Lease insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

**Other Lease Provisions**

This Leasing Policy does not include all of the provisions of Airport leases.

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Airport Site 2 ground lease with GTU Property Developers**

SUGGESTED ACTION:
Consideration and possible action to approve a 30-year ground lease with an optional ten year extension between the City of Georgetown and GTU Property Developer, LLC for site 2 at the Georgetown Executive Airport at Johnny Gantt Field to construct and operate hangar buildings and other site improvements -- Eric Johnson, Public Works Director, and Matthew Sommerfeld, Airport Manager

ITEM SUMMARY:

This Ground Lease is between the City of Georgetown and GTU Property Developer, LLC for roughly 93,218 square feet at the Georgetown Executive Airport and provides that the developer will build at its own expense at least one 36,000-square-foot hangar facility and divide it into 12 to 20 leasehold condominium units to sell to individual aircraft owners under the Texas Uniform Condominium Act. The term runs 30 years (June 10, 2026 through June 9, 2056) with one 10-year extension at market rate. The developer bears all responsibility for construction, permitting, maintenance, insurance, taxes, and compliance with FAA grant assurances and airport rules, while the City retains rights of entry, and oversight and carries essentially no liability or maintenance obligation. The agreement also governs the condominium association, leasehold mortgage protections for lenders, and the default, termination, and surrender terms.

FINANCIAL IMPACT:
The City receives base rent of $0.40 per square foot (about $2,951.90 per month, adjusted annually for inflation) plus $100 per month for each occupied condo unit, with rent resetting to market rates if the extension term is exercised.

SUBMITTED BY:
Karen Frost, Public Works

ATTACHMENTS:
Georgetown Airport Condominiums_Dec of Condo Regime Final 06.03.2026.pdf
GTUPropertyDev_GroundLease_Site2_Final_06.03.2026.pdf

**AFTER RECORDING RETURN TO:**
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# DECLARATION OF CONDOMINIUM REGIME FOR GEORGETOWN AIRPORT CONDOMINIUMS

**(A Leasehold Condominium Located in Williamson County, Texas)**

**Declarant:** **GTU PROPERTY DEVELOPER, LLC**, a Texas limited liability company

4929-2538-2497v.8 73282-1

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**DECLARATION OF CONDOMINIUM REGIME FOR**
**GEORGETOWN AIRPORT CONDOMINIUMS**

**GTU PROPERTY DEVELOPER, LLC,** a Texas limited liability company ("**Declarant**"), is the holder of a leasehold interest in that certain real property in Williamson County, Texas, as more particularly described on Exhibit "A" attached hereto and incorporated herein, together with all Improvements thereon and all easements, rights, and appurtenances thereto (collectively, the "**Property**").

**RECITALS**

A. The Declarant is a long-term lessee of that certain Ground Lease situated in the City of Georgetown, Texas, County of Williamson, State of Texas, at the Georgetown Executive Airport at Johnny Gantt Field.

B. As set forth in *Section 4.1*, the Declarant intends to develop the Property to initially include 12 Units, with the right to create a maximum of 20 Units for aviation hangar and aviation-related office use .

C. The Declarant further desires to submit the Property to a condominium regime and ownership pursuant to the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code and upon development it will be composed of aviation hangar condominiums to be sold pursuant to this Declaration.

**NOW, THEREFORE**, it is hereby declared that: (i) the Property is submitted to the terms and provisions of the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating Georgetown Airport Condominiums; (ii) the Property will be held sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, which will run with the land for the term of the Ground Lease and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; and (iii) each contract or deed which may hereafter be executed with regard to the Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed.

**ARTICLE 1**
**DEFINITIONS**

Unless otherwise defined in this Declaration, terms defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "**Act**" means Chapter 82 of the Texas Property Code, the Texas Uniform Condominium Act, as it may be amended from time to time.

1.2 "**Applicable Law**" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

1.3 "**Architectural Reviewer**" means Declarant during the Development Period. After expiration of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Board.

1.4 "**Assessment**" means any charge levied against a Unit or Owner pursuant to the Documents, the Act, or Applicable Law, including but not limited to Regular Assessments, Special Assessments, Individual Assessments and Deficiency Assessments as defined in *Article 5* of this Declaration.

1.5 "**Assessment Unit**" has the meaning set forth in *Section 4.9* below.

1.6 "**Association**" means Georgetown Airport Condominium Community, Inc., a Texas non-profit corporation, the Members of which will be the Owners. The term "Association" will have the same meaning as the term "property owners association" in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from the Documents and the Act.

1.7 "**Aviation Purposes**" shall mean the storage of aircraft and directly related activities consistent with the Minimum Standards.

1.8 "**Base Rent**" means Base Rent as defined in Article 4 of the Ground Lease, as periodically adjusted therein.

1.9 "**Board**" means the Board of Directors of the Association.

1.10 "**Building**" means any structure located on the Property and designated as a building on the Plat and Plans.

1.11 "**Bylaws**" mean the bylaws of the Association, as they may be amended from time to time in accordance with the Bylaws and Applicable Law. The initial Bylaws of the Association are attached hereto as Attachment 1.

1.12 "**Certificate**" means the Certificate of Formation of the Association filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time in accordance with the Certificate and Applicable Law.

1.13 "**City**" means the City of Georgetown, Texas.

1.14 "**Common Elements**" means all portions of the Property, **SAVE AND EXCEPT** the Units. All Common Elements are "**General Common Elements**" except if such Common Elements have been allocated as "**Limited Common Elements**" by this Declaration for the exclusive use of one or more but less than all of the Units.

1.15 "**Common Expenses**" means the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Regime, including but not limited to those expenses incurred for the maintenance, repair, replacement and operation of the General Common Elements.

1.16 "**Declarant**" means **GTU PROPERTY DEVELOPER, LLC,** a Texas limited liability company.

1.17 "**Declarant Control Period**" means that period of time during which Declarant controls the operation and management of the Association. The duration of the Declarant Control Period is the earlier to occur of the following: (i)from the date this Declaration is recorded for a maximum period not to exceed one-hundred twenty (120) days after title to seventy-five percent (75%) of the Units that may be created hereunder have been conveyed to Owners other than Declarant; or (ii) a five (5) year period beginning on the date this Declaration is recorded.

1.18 "**Declarant's Mortgagee**" means any Person that is the holder of any bona fide indebtedness which is the result of an arm's length negotiation, that is secured by a first lien or encumbrance upon any portion of the Regime owned by Declarant.

1.19 "**Declaration**" means this document, as it may be amended from time to time.

1.20 "**Deficiency Assessments**" means charges established and assessed by the Association pursuant to *Section 5.7* of this Declaration.

1.21 **"Development Period"** means the period, during which time Declarant has reserved certain rights as more particularly described in this Declaration, beginning when Declaration is Recorded and ending five (5) years after the date on which this Declaration was recorded. Declarant may terminate the Development Period by executing and Recording a notice of termination.

1.22 "**Development Rights**" means the following rights, exercisable during the Development Period, which have been retained by the Declarant with respect to the Property: (i) to add real property to the Regime; (ii) to create Units, General Common Elements, or Limited Common Elements within the Regime or within real property that may be added to the Regime; (iii) to subdivide Units or convert Units into General Common Elements or Limited

Common Elements; (iv) to withdraw all or any portion of the Property from the terms of this Declaration and the Regime, provided that no Unit proposed to be withdrawn from the Declaration and the Regime has been conveyed to an Owner other than Declarant; (v) to complete all Improvements shown on the Plat or otherwise planned, from time to time, by the Declarant; (vi) to make the Regime part of a larger condominium or a planned community; (vii) to maintain sales, management, and leasing offices within the Regime; (viii) to establish and maintain signs advertising or marketing the Regime; (ix) to establish models or representative Improvements within the Regime; (x) to use easements through the Common Elements for the purpose of making Improvements within the Regime or within real property that may be added to the Regime; (xi) to appoint and remove any officer or Board member of the Association as permitted by this Declaration and the Act; and (xii) to subdivide one or more Units in accordance with *Article 4*, provided that Declarant is the Owner of the Unit.

1.23 "**Documents**" mean, individually or collectively as the case may be, this Declaration, the Plat and Plans, attached hereto as Attachment 2, the Certificate, the Bylaws and the Rules, if any, as each may be amended from time to time. An attachment, appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

1.24 "**General Common Elements**" mean Common Elements which are not Limited Common Elements.

1.25 "**Governmental Authority**" means any and all applicable courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for any governmental entity (federal, state, county, district, municipal, or otherwise) whether now or hereafter in existence.

1.26 "**Governmental Impositions**" means all real estate and personal property taxes, assessments, standby fees, excises and levies, and any interest, costs or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which at any time prior to or after the execution of this Declaration, may be assessed, levied or imposed upon the Regime or any Unit therein by any Governmental Authority.

1.27 "**Ground Lease**" means that certain Ground Lease dated _____, _____, as evidenced by that certain Hangar Ground Lease Agreement as recorded pursuant to Section 25.4 of the Ground Lease under Document No. _____, Official Public Records of Williamson County, Texas, by and between Ground Lessor and Declarant.

1.28 "**Ground Lease Event of Default**" means a Default as defined in Article 1 of the Ground Lease**.**

1.29 "**Ground Lessor**" means **CITY OF GEORGETOWN, TEXAS**, a Texas home-rule city, lessor under the Ground Lease.

1.30 "**Improvement**" means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, any buildings, driveways, and parking areas.

1.31 "**Individual Assessments**" means charges established and assessed by the Association pursuant to *Section 5.6* of this Declaration.

1.32 "**Limited Common Elements**", if any, mean those portions of the Common Elements reserved for the exclusive use of one or more Owners to the exclusion of other Owners. Limited Common Elements are allocated pursuant to this Declaration or shown on the Plat and Plans.

1.33 "**Majority**" means more than half.

1.34 "**Member**" means an Owner as a member of the Association, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.35 "Minimum Standards" means the Minimum Standards for Commercial and Non-commercial Operators at the Airport adopted by the City pursuant to Chapter 12.32 of the City of Georgetown, Code of Ordinances.

1.36 "**Occupant**" means any Person, including any Owner, tenant or otherwise having a right to occupy or use all or any portion of a Unit for any period of time.

1.37 "**Owner**" means any Person (including Declarant) who owns fee title to a Unit, or in the event a Unit, in its entirety, is subject to a ground lease, the leasehold interest under such ground lease, but does not include any Person having an interest in a Unit solely as security for an obligation. Every Owner is a Member of the Association.

1.38 "**Permittee**" means any Occupant and any officer, agent, employee, licensee, lessee, customer, vendor, supplier, guest, invitee or contractor of the Association, an Owner, or Declarant.

1.39 "**Person**" means any individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other legal entity, including any Governmental Authority and any party acting in such capacity on behalf of any of the foregoing.

1.40 "**Plat and Plans**" means the plat and plans attached hereto as Attachment 2, as changed, modified, or amended in accordance with this Declaration.

1.41 "**Priority Lien Indebtedness**" means any bona fide indebtedness, which is the result of an arm's-length negotiation, that is secured by a first lien or encumbrance upon the Property and/or a Unit.

1.42 "**Property**" means that certain real property in Williamson County, Texas, subject to the Ground Lease, as more particularly described on Exhibit "A" attached hereto and incorporated herein, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Unit and Common Element thereon.

1.43 "**Record"**, "**Recordation**", "**Recorded**", or "**Recording**" means recorded or to be recorded, respectively, in the Official Public Records of Williamson County, Texas.

1.44 "**Regime**" means the Property, Units, General Common Elements, and Limited Common Elements that comprise the condominium regime established by this Declaration.

1.45 "**Registered Mortgagee**" means any Person, including Declarant's Mortgagee, that is the holder, insurer or guarantor of any Priority Lien Indebtedness upon a Unit and which has provided the Association and the Ground Lessor with written notice of its name, address and a description of the Unit encumbered thereby and a certification that such indebtedness constitutes "Priority Lien Indebtedness" in accordance with this Declaration.

1.46 "**Regular Assessments**" means charges established and assessed by the Association pursuant to *Section 5.4* of this Declaration.

1.47 "**Rules**" means rules and regulations of the Association adopted in accordance with the Documents or the Act. The Board may, from time to time, modify, supplement, or amend the Rules, but no modifications to the Rules will prohibit or unreasonably interfere with any use of a Unit.

1.48 "**Special Assessments**" means charges established and assessed by the Association pursuant to *Section 5.5* of this Declaration.

1.49 "**Underwriting Lender**" means a national institutional mortgage lender, insurer, underwriter, guarantor, or purchaser on the secondary market, such as Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), or the Veterans Administration, singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options or as a representation that the Property is approved by any institution.

1.50 "**Unit**" means the physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached hereto as Attachment 2, as further described in *Section 4.2* of this Declaration, including any Improvements within such boundaries and any Improvements outside such boundaries, to the

extent that the Improvements outside such boundaries are expressly made a part of the Unit pursuant to *Section 4.3* of this Declaration.

## ARTICLE 2
## PROPERTY SUBJECT TO DOCUMENTS

2.1. **Subject To Documents**. The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including rights reserved by the Declarant under this Declaration, which run with the Property, bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.

2.2. **Additional Property**. Additional real property may be made subject to this Declaration by the Declarant during the Development Period. Annexation of additional property is accomplished by Recording a declaration of annexation which includes a description of the additional real property and such other information as may be required by the Act.

2.3. **Recorded Easements and Licenses**. In addition to the terms, covenants, conditions, restrictions, liens, and easements contained in this Declaration, the Property is subject to all Recorded easements, licenses, leases, and encumbrances, including those described on Attachment 3, and any shown or referenced on a Recorded plat, each of which is incorporated herein by reference. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by Recorded easements, licenses, leases, and encumbrances.

2.4. **Common Elements.** The Common Elements of the Property, which may be comprised of General Common Elements and Limited Common Elements, consist of all of the Property, **SAVE AND EXCEPT** the Units, and expressly includes the land underlying the Units.

## ARTICLE 3
## EASEMENTS

3.1. **Common Element Easement**. Subject to the provisions of the Documents, each Owner is granted a perpetual and non-exclusive easement of access, ingress, egress, use and enjoyment of, in and to the General Common Elements, such easements being appurtenant to each Unit.

3.2. **Association's Access Easement**. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property to

the extent necessary and required to perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.

3.3. **Utility Easement**. Declarant hereby reserves the right to grant and/or dedicate easements over and across the Property necessary or required, as determined by the Declarant, for the proper operation of the Regime or to provide utilities to the Units or as required by a municipality or other regulatory authority. Utilities may include, but are not limited to, water, irrigation, sewer, trash removal, electricity, gas, electronic communications and internet, telephone, master or cable television, and security. Notwithstanding the foregoing, the easements provided for in this Section shall not, in any event, interfere with the development, construction, use, operation, or sale of any Unit or the Limited Common Elements appurtenant thereto without the prior written consent of the Owner of such Unit. The easements reserved herein may be granted, in whole or in part, and exclusively or non-exclusively, by the Declarant to any Governmental Authority.

3.4. **Encroachment Easement**. Each Owner is granted a non-exclusive easement for the installation, existence and repair of any encroachment on any adjoining Common Element as a result of a roof overhang, balcony, or awning located on an Owner's Unit constructed in accordance with plans approved by the Architectural Reviewer as long as such Improvement stands.

3.5. **Addressing Easement**. Declarant shall have the right, in accordance with the applicable Governmental Authority's street addressing and permitting requirements, to establish street addresses for each Unit. From time to time, as street addresses for each Unit are established, Declarant may Record a written instrument which identifies the Unit and the street address assigned to such Unit.

## ARTICLE 4
## UNITS; COMMON ELEMENTS AND ALLOCATIONS

4.1. **Initial Submitted Units; Maximum Number of Units**. The Regime initially consists of twelve (12) Units. The maximum number of Units which may be created in the Regime is twenty (20). To add Units to the Regime, Declarant during the Development Period may, from time to time, file an amendment to this Declaration creating such additional Units; which amendment will: (i) assign an identifying number to each new Unit; (ii) reallocate the Common Interest Allocation among all Units then existing within the Regime; (iii) describe any Limited Common Elements, assigned to each new Unit; and (iv) with respect to new Units, include the information required by Section 82.055 and Section 82.059(b) of the Act. No assurance is given as to the dispersion of new Units, total number of new Units, or size of such Units.

4.2. **Unit Boundaries**. The boundaries and identifying number of each Unit are shown on the Plat and Plans attached hereto as Attachment 2. The boundaries of each Unit are further described as follows:

(i) **Lower Boundary of Unit**: The horizontal plane corresponding to the finished grade of the surface of the land within the Unit, as described and defined on Attachment 2, except as expressly provided in *Section 4.3* of this Declaration.

(ii) **Upper Boundary of Unit**: The horizontal plane parallel to and six hundred (600') above the lower boundary the Unit.

(iii) **Lateral Boundaries of Unit**: A plane located on each side of a Unit perpendicular to the lower and upper horizontal planes, from the lower boundary of the Unit to the upper boundary of the Unit, as described and defined on Attachment 2.

**Ownership of a Unit includes the entire space enclosed by the Unit boundaries and all Improvements located within the Unit.**

4.3. **What a Unit Includes**. Each Unit includes the spaces and Improvements now or hereafter constructed within the lower, upper, and lateral boundaries defined in *Section 4.2* above, including without limitation the roofs and foundations of any such Improvements, landscaping, parking areas, sidewalks, fences, utility lines and meters (to the extent such lines and meters exclusively serve such Unit) and all other Improvements located within the Unit. In addition to the Improvements within the Unit, each Unit also includes the following improvements, fixtures, and equipment serving each such Unit exclusively: (i) those which are located below the finished grade of the land comprising the lower boundary of the Unit, whether or not attached to or contiguous with an Improvement, including but not limited to below grade foundation, piers, retaining walls, structural supports, utility and drainage facilities, and subterranean components of plant material, and (ii) any utility facilities and meters located outside the lower, upper, and lateral boundaries of a Unit as defined in *Section 4.2* above.

**Not a Typical Condominium Unit**

**A UNIT DOES NOT INCLUDE LAND. THE CONVEYANCE OF A UNIT IS NOT A METES AND BOUNDS CONVEYANCE OF LAND. THE CREATION OF A UNIT DOES NOT CONSTITUTE A SUBDIVISION OF LAND. EACH UNIT CONSISTS OF THE SURFACE OF A DESIGNATED PIECE OF LAND, AND EVERYTHING ABOVE THE SURFACE FOR 600 FEET, AND ANYTHING BELOW THE SURFACE THAT SERVES OR SUPPORTS THE ABOVE-SURFACE IMPROVEMENTS.**

4.4. **Building Size**. The space contained within the vertical and horizontal boundaries of the Unit is not related to the size of any Building or Improvements contained therein. Neither Declarant nor any other Owner is obligated to construct any Buildings or other Improvements in a Unit. Notwithstanding the foregoing, the height of any building Improvements may not exceed the height allowed under Applicable Law.

4.5. **Additional Information to Interpret Unit Boundaries**. In the event that there is a conflict between the boundaries of a Unit as described in this *Article 4* and as shown on the Plat and Plans, this *Article 4* shall control. It is the express intent of the Declarant that the property described as being part of a Unit will for all purposes herein be treated as and constitute a lawfully described "Unit" as that term is defined in the Act. In the event that there is a final judicial determination by a court of competent jurisdiction that the boundaries of a Unit or any portion thereof are so indefinite and vague so as to not create a legally constituted "Unit" within the meaning of the Act, then that portion of the Unit that has not been adequately described will be severed from the property deemed a part of the Unit (if the remainder of the Unit, excluding the severed portion thereof, constitutes a properly described "Unit" under the Act) and shall thereafter be deemed to be Limited Common Elements reserved to the exclusive use of said Unit, subject to the rights and obligations of other Owners with respect to said property.

4.6. **Initial Allocation of Limited Common Elements**. Portions of the General Common Elements may be allocated as Limited Common Elements on the Plat and Plans, attached hereto as Attachment 2, by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation. A General Common Element may be allocated as a Limited Common Element only in accordance with the Act and the provisions of this Declaration. During the Development Period, Declarant hereby reserves the right to create and further assign Limited Common Elements (provided that no further assignment of Limited Common Elements may be made to a Unit not owned by the Declarant without the consent of the Owner of such Unit).

4.7. **Reallocation of Limited Common Elements**. Except as otherwise provided in *Section 4.6*, a Limited Common Element may only be reallocated by an amendment to this

Declaration. An amendment reallocating Limited Common Elements must be executed by the Owners between or among whose Units the reallocation is made. An amendment executed by Owners will be delivered to the Association which will Record the amendment at the expense of the reallocating Owners. The Owners executing the amendment will prepare the amendment at their sole cost and expense and will reimburse the Association for its reasonable attorneys' fees in connection with review and Recording of the amendment.

4.8. **Common Interest Allocation**. The percentage of interest in the Common Elements (the "**Common Interest Allocation**") allocated to each Unit is expressed as a percentage and is calculated as follows:

Square footage of the surface of the land area within the Unit as defined in Section 4.2 / total square footage of the surface of the land area within all Units as defined in Section 4.2

The Common Interest Allocation assigned to a Unit may decrease as Units are added to this Declaration. The same formula will be used in the event the Common Interest Allocation is reallocated as a result of any increase or decrease in the number of Units subject to this Declaration. In the event an amendment or notice of annexation to this Declaration is filed which reallocates the Common Interest Allocation as a result of any increase or decrease in the number of Units, the reallocation will be effective on the date such amendment or notice of annexation is Recorded.

4.9. **Common Expense Liability**. The percentage of liability for Common Expenses (the "**Common Expense Liability**") assigned to each Unit and levied pursuant to *Article 5* is equal to the Common Interest Allocation assigned to each Unit in accordance with *Section 4.8* of this Declaration.

4.10. **Votes**. One (1) vote is allocated to each Unit. The one vote appurtenant to each Unit is weighted equally for all votes, regardless of the other allocations appurtenant to the Unit. In other words, the one vote appurtenant to each Unit is uniform and equal to the vote appurtenant to every other Unit.

4.11. **Mortgage of Unit**. An Owner shall be entitled from time to time to mortgage or encumber a Unit by creating a lien or liens covering a Unit under the provisions of a mortgage or deed of trust, but any lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder which acquires a Unit through judicial foreclosure, public sale or any other means shall be subject to the terms and provisions of this Declaration. An Owner that mortgages its Unit shall notify the Association, giving the name and address of said Owner's mortgagee, and the Association shall maintain such information.

## ARTICLE 5
## COVENANT FOR ASSESSMENTS LEVIED BY THE ASSOCIATION

5.1. **Purpose of Assessments**. The Association will use Assessments for the general purposes of preserving and enhancing the Regime, and for the benefit of Owners and

Occupants, including but not limited to maintenance of real and personal property, management, and operation of the Association, and any expense reasonably related to the purposes for which the Association was formed, including but not limited to discharging its obligations and duties under the Ground Lease. If made in good faith, the Board's decision with respect to the use of Assessments is final.

5.2. **Personal Obligation**. An Owner is obligated to pay Assessments levied by the Association against the Owner or the Owner's Unit. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other Person regarding any matter to which this Declaration pertains. No Owner may exempt itself from any Assessment liability by waiver of the use or enjoyment of the Common Elements or by abandonment of the Owner's Unit. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Unit. It shall be the responsibility of the Association to collect any delinquent Assessments, the existence of which shall be made known by written notice delivered to the defaulting Owner and, where requested, the Owner's Registered Mortgagee.

5.3. **Types of Assessments Levied by the Association**. There are four (4) types of Assessments levied by the Association: Regular Assessments, Special Assessments, Individual Assessments and Deficiency Assessments.

5.4. **Regular Assessments**.

5.4.1. Purpose of Regular Assessments. Regular Assessments are used for maintenance, repair and replacement of the General Common Elements and other expenses required to be incurred by the Association pursuant to this Declaration or the Act.

5.4.2. Annual Budget – Regular Assessments. If Regular Assessments will be levied by the Association, the Board will prepare and approve an annual budget with the estimated expenses to be incurred by the Association for each fiscal year. The budget will take into account the estimated income and Common Expenses for the year, contributions to reserve funds for the General Common Elements, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to each Owner, although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments.

5.4.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget. Each Unit will be liable for its allocated share of the annual budget equal to the Common Expense Liability assigned to the Owner's Unit. If the Board does not

approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

5.4.4. Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Supplemental increases will be apportioned among the Units in the same manner as Regular Assessments.

5.5. **Special Assessments**. The Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget or reserves. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the acquisition of real property must be approved by at least a Majority of the votes in the Association. Special Assessments will be apportioned among the Units in the same manner as Regular Assessments.

5.6. **Individual Assessments**. The Board may levy an Individual Assessment against an Owner and the Owner's Unit for expenses which are reasonably allocable only to that Owner's Unit or Limited Common Elements, as opposed to the Regime in general. Individual Assessments may include, but are not limited to: (i) interest, late charges, and collection costs on delinquent Assessments; (ii) reimbursement for costs incurred in bringing an Owner or the Owner's Unit or Limited Common Elements into compliance with the Documents; (iii) fines for violations of the Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and copies of the Documents; (iv) insurance deductibles paid by the Association in connection with a claim related only to that Owner's Unit; (v) reimbursement for costs incurred in repairing damage or waste caused by willful or negligent acts of the Owner, Occupant, or their respective Permittees; and (vi) Common Expenses that benefit fewer than all of the Units, which may be assessed according to benefit received as reasonably determined by the Board.

5.7. **Deficiency Assessments**. The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of maintenance, repair, and replacement, as necessary, of the General Common Elements if insurance proceeds or condemnation awards prove insufficient. Deficiency Assessments will be apportioned among the Units as set forth in *Section 4.9* above.

5.8. **Due Date**. Regular Assessments are due annually, to be paid on January 1 of each calendar year, or on such other date or frequency as the Board may designate in its sole and absolute discretion, and are delinquent if not received within ten (10) days after such date. Special Assessments, Individual Assessments and Deficiency Assessments are due on the date

stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Assessment is given.

5.9. **Reserve Funds**. The Association may maintain reserves at a level determined by the Board to be sufficient to cover the anticipated cost of operational or maintenance emergencies or contingencies, including deductibles on insurance policies maintained by the Association.

5.10. **Association's Right to Borrow Money**. The Association is granted the right to borrow money, subject to the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, or pledge any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

5.11. **Limitations of Interest**. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by Applicable Law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by Applicable Law, the excess amount will be applied to the reduction of applicable Assessments, or reimbursed to the Owner if those Assessments are paid in full.

5.12. **Audited Financial Statements**. The Association will have an audited financial statement for the preceding full fiscal year of the Association prepared and made available to the Members of the Association within one hundred and twenty (120) days after the Association's fiscal year-end.

5.13. **Statement of Expenses**. Upon request, the Association shall promptly provide any Owner or Registered Mortgagee with a written statement of all unpaid Assessments due with respect to such Unit. The Association may impose a reasonable charge for the preparation of such statement to the extent permitted by the Act.

## ARTICLE 6
## ASSESSMENT LIEN

6.1. **Assessment Lien**. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay to the Association any Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments levied by the Association. Each Assessment is a charge on the Unit and

is secured by a continuing lien on the Unit. Each Owner, and each prospective Owner, is placed on notice that such Owner's title may be subject to the continuing lien for Assessments attributable to a period prior to the date such Owner purchased such Owner's Unit. An express lien on each Unit is hereby granted and conveyed by Declarant to the Association to secure the payment of Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments.

6.2. **Superiority of Assessment Lien**. The Assessment lien is superior to all other liens and encumbrances on a Unit, regardless of how created, evidenced or perfected, other than: (i) the lien securing the payment of Priority Lien Indebtedness (provided that such lien was Recorded prior to the date on which the Assessment became delinquent); and (ii) liens for Governmental Impositions.

6.3. **Effect of Foreclosure**. Foreclosure of a lien encumbering a Unit in order to satisfy the Priority Lien Indebtedness will extinguish the subordinate lien for any Assessments which became payable prior to the date of such foreclosure sale, provided that in no event shall a defaulting Owner be relieved from liability incurred for past Assessments. The purchaser of a Unit at the foreclosure sale, other than the Ground Lessor, is liable for Assessments against the Unit coming due from and after the date of the sale.

6.4. **Notice and Release of Notice**. The lien established hereby for Assessments is created by Recording this Declaration, which constitutes record notice and perfection of the lien. No other Recordation of a lien or notice of lien is required. However, in the exercise of its lien rights, the Association may, at its option, cause a notice of the lien to be Recorded. If the debt is cured after a notice has been Recorded, the Association will execute and Record a release of the notice at the expense of the curing Owner. The Association may require reimbursement of its costs of preparing and Recording the notice before granting the release.

6.5. **Power of Sale**. By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of non-judicial sale in connection with its Assessment lien. The Board may appoint, from time to time, any Person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. Any such appointment must be in writing and may be in the form of a resolution duly adopted by the Association.

6.6. **Foreclosure of Lien**. The Assessment lien may be enforced by judicial or non-judicial foreclosure. A foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by Applicable Law. In any foreclosure, the Owner will be required to pay all costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Unit at a foreclosure sale initiated by it, to credit amounts owed by the Owner to its bid, and to acquire, hold, lease, mortgage, and convey same.

## ARTICLE 7
## EFFECT OF NONPAYMENT OF ASSESSMENTS

7.1. **Delinquency**. An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect all delinquent Assessments. From time to time, the Association may delegate some or all of its collection procedures and remedies, as it in its sole discretion deems appropriate, to an attorney or a debt collector. Neither the Association nor the Board acting on its behalf, however, is liable to an Owner or other Person for its failure or inability to collect or attempt to collect an Assessment.

7.2. **Remedies**. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association may have pursuant to the Documents or Applicable Law:

7.2.1. Interest. Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined from time to time by the Board, not to exceed the lesser of eighteen percent (18%) per annum or the maximum rate permitted by Applicable Law. If the Board fails to establish a rate, the rate is eighteen percent (18%) per annum.

7.2.2. Late Fees. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined from time to time by the Board.

7.2.3. Collection Expenses. The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred to collect the delinquent Assessments, including attorneys' fees and processing fees charged by the manager.

7.2.4. Acceleration. If an Owner defaults in paying Assessments that are payable in installments and such default is not cured within thirty (30) days after written notice by the Association to the Owner of such default, the Association may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

7.2.5. Money Judgment. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments without foreclosing or waiving its lien for Assessments.

7.2.6. Notice to Registered Mortgagee. The Association may notify and communicate with an Owner's Registered Mortgagee regarding the Owner's default in payment of Assessments.

7.3. **Application of Payments**. The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association will be applied in the following order: Individual Assessments, Deficiency Assessments, Special Assessments, and (lastly) Regular Assessments. The Association may refuse to accept partial payment, *i.e.,* less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Association's policy for applying payments. The policies of the Association may provide that endorsement and deposit of a payment does not constitute acceptance, and that acceptance occurs when the payment is posted to the Owner's account.

## ARTICLE 8
## MAINTENANCE AND REPAIR OBLIGATIONS

8.1. **Association Obligations**.

8.1.1. Maintenance. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association will maintain, repair and replace, as a Common Expense, the General Common Elements.

8.1.2. When Responsibilities are Relieved. The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that: (i) such maintenance responsibility is assigned to an Owner under this Declaration; (ii) such maintenance responsibility is assumed by an Owner; or (iii) the property to be maintained is dedicated to any local, state or federal government or quasi-governmental entity.

8.1.3. No Owner Reimbursement**.** Unless otherwise agreed to in a prior written agreement by the Owner or Occupant and the Association, if any maintenance or repair otherwise the responsibility of the Association is performed by an Owner or Occupant, such maintenance or repair will be performed at the sole expense of such Owner or Occupant and the Owner and Occupant will not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

8.2. **Owner Responsibility**. Each Owner shall operate and fully maintain, repair and, when necessary, replace, at its cost and expense, all portions of such Owner's Unit and any Limited Common Elements assigned to such Owner's Unit, including all Improvements and all easement areas located therein.

8.3. **Taxes**. Each Owner shall be responsible for and shall pay when due all taxes, assessments and other Governmental Impositions lawfully levied or assessed with respect to such Owner's Unit. Any taxes, assessments or other Governmental Impositions lawfully levied

or assessed with respect to the Property not separately billed to the Owners shall constitute a Common Expense.

8.4. **Utilities**. Each Owner shall be responsible for and shall pay all utility charges relating to services used or consumed at or with respect to the occupancy of the Owner's Unit.

## ARTICLE 9
## ARCHITECTURAL COVENANTS AND CONTROL

9.1. **Purpose.** Because the Units are part of a single, unified community, the Architectural Reviewer has the right to regulate the exterior appearance of all Improvements in order to preserve and enhance the Property's value and architectural harmony. The Architectural Reviewer has the right to regulate every aspect of proposed or existing Improvements on the Property, including replacements or modifications of exterior components of the original construction or installation. During the Development Period, the primary purpose of this *Article 9* is to reserve and preserve Declarant's right of architectural control. Notwithstanding any term or provision to the contrary herein, Improvements constructed on the Property and all architectural modifications made thereto that are made by the Declarant or its Permittees shall not be subject to approval pursuant to this *Article 9*.

9.2. **Architectural Reviewer.** The purposes of this Article shall be undertaken by the Architectural Reviewer. Until expiration or termination of the Development Period, the Architectural Reviewer shall mean Declarant or its designee. After expiration or termination of the Development Period, or Declarant's delegation to the Association of all or a portion of its reserved rights as Architectural Reviewer in accordance with *Section 9.3.3* below, the rights of the Architectural Reviewer, as applicable in the case of a partial delegation in accordance with *Section 9.3.3* below, will automatically be transferred to the Board or a committee appointed by the Board.

9.3. **Architectural Control by Declarant**.

9.3.1. Declarant as Architectural Reviewer. During the Development Period, the Architectural Reviewer shall mean Declarant or its designee, and neither the Association or the Board, nor a committee appointed by the Association or the Board (no matter how the committee is named) may involve itself with the approval of any Improvements. Declarant may designate one or more Persons from time to time to act on its behalf as Architectural Reviewer in reviewing and responding to applications pursuant to this Article.

9.3.2. Declarant's Rights Reserved. Each Owner agrees that during the Development Period, no Improvements will be started or progressed or modified without the prior written approval of the Architectural Reviewer, which approval may be granted or withheld at the Architectural Reviewer's sole discretion. In reviewing and

acting on an application for approval, the Architectural Reviewer may act solely in its self-interest and owes no duty to any other Person or any organization.

9.3.3. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights as Architectural Reviewer to: (i) an architectural control committee appointed by the Board; or (ii) a committee comprised of architects, engineers, or other Persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral right of Declarant to: (a) revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (b) veto any decision which Declarant, in its sole discretion, determines to be inappropriate or inadvisable for any reason.

9.4. **Architectural Control by Association**. Upon Declarant's delegation, in writing, of all or a portion of its reserved rights as Architectural Reviewer to the Board, or upon the expiration or termination of the Development Period, the Association will assume jurisdiction over architectural control and will have the powers of the Architectural Reviewer hereunder and the Board, or a committee appointed by the Board, is the Architectural Reviewer and shall exercise all architectural control over the Property.

9.5. **Limits on Liability**. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees or agents will have any liability for decisions made as Architectural Reviewer in good faith. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees or agents are responsible for: (i) errors in or omissions from the plans and specifications submitted to the Board; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. Approval of a modification or Improvement may not be deemed to constitute a waiver of the right to withhold approval of similar proposals, plans or specifications that are subsequently submitted.

9.6. **Prohibition of Construction, Alteration and Improvement**. Without the Architectural Reviewer's prior written approval, a Person may not commence or continue any material construction, alteration, addition, Improvement, installation, modification, redecoration, or reconstruction of or to the exterior of any Improvement on the Property, or do anything that materially affects the exterior appearance, of any Improvements on the Property. Any dispute as to whether or not any action outlined in this *Section 9.6* is material shall be determined by the Board in its sole discretion.

9.7. **No Deemed or Verbal Approval**. Approval by the Architectural Reviewer may not be deemed, construed, or implied from an action, a lack of action, or a verbal statement by

the Declarant, Declarant's representative or designee or the Association, an Association director or officer, a member or chair of the Declarant or Board-appointed architectural control committee, the Association's manager, or any other representative of the Association. To be valid, approval of the Architectural Reviewer must be: (i) in writing; (ii) signed and dated by a duly authorized representative of the Architectural Reviewer, designated for that purpose; (iii) specific to a Unit; and (iv) accompanied by plans and specifications showing the proposed change. If the Architectural Reviewer fails to respond in writing - negatively, affirmatively, or requesting information - within sixty (60) days after the Architectural Reviewer's actual receipt of the Owner's application, the application is deemed denied. Under no circumstance may approval of the Architectural Reviewer be deemed, implied or presumed. If the Architectural Reviewer approves a change, the Owner or the Architectural Reviewer may require that the architectural approval be Recorded.

9.8. **Application**. To request Architectural Reviewer approval, an Owner must make written application and submit plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must identify any requirement of this Declaration for which a variance is sought.

9.9. **Owner's Duties**. If the Architectural Reviewer approves an Owner's application, the Owner may proceed with the Improvement, provided:

(i) The Owner must adhere to the plans and specifications approved by the Architectural Reviewer.

(ii) The Owner must initiate and complete the Improvement in a timely manner.

(iii) If the approved application is for work that requires a building permit from a Governmental Authority, the Owner must obtain the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the applicable Governmental Authority's requirements. Alternatively, approval by the applicable Governmental Authority does not ensure Architectural Reviewer approval.

## ARTICLE 10
## USE RESTRICTIONS

10.1. **Use of Buildings**. Buildings and Units may only be used for Aviation Purposes in accordance with the Ground Lease. Further, use and occupancy of the Buildings and Units shall at all times comply with the Minimum Standards. Notwithstanding Section 10.2 herein, no Variance may be granted to allow a use in violation of this Section.

10.2. **Variance**. The Property is subject to the restrictions contained in this Declaration, and subject to the Rules. During the Development Period, the Declarant may grant a variance or waiver of a restriction or Rule on a case-by-case basis and may limit or condition its grant. The Board, with the Declarant's written consent during the Development Period, may grant a variance or waiver of a restriction or Rule on a case-by-case basis and may limit or condition its grant. To be effective, a variance must be in writing and executed by the Declarant and/or a Majority of the Board, as applicable. The grant of a variance shall not constitute a waiver or estoppel of the right to deny a variance in other circumstances.

10.3. **Association's Right to Promulgate Rules**. The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. During the Development Period, any adoption, modification, amendment, or repeal to the Rules, and each new policy or Rule, must be approved in advance and in writing by the Declarant.

10.4. **Abandoned Personal Property**. Personal property shall not be kept, or allowed to remain for more than forty-eight (48) hours upon any portion of the Common Elements, without the prior written consent of the Board. If the Board determines that a violation exists, then, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the Owner of the property; provided, however, in such case, the Board shall give the Owner, if known, notice of the removal of the property and the disposition of the property within twenty-four (24) hours after the property is removed. Neither the Declarant, the Association, the Board, or any member, officer or agent of the Association shall be liable to any Person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

10.5. **Appearance.** Both the exterior and the interior of the Improvements constructed within a Unit must be maintained in a manner so as not be unsightly when viewed from the street, Common Elements, or other Units. The Declarant during the Development Period and the Board thereafter, will be the arbitrator of acceptable appearance standards.

10.6. **Driveways.** Sidewalks, driveways, and other passageways may not be used for any purpose that interferes with their ongoing use as routes of vehicular or pedestrian access.

10.7. **Signs**. No sign of any kind, including signs (including signs advertising portions of the Property for sale, for rent or for lease), may be erected, placed, or permitted to remain on the Property unless written approval has been obtained in advance from the Architectural Reviewer. The Architectural Reviewer may adopt sign guidelines associated with the erection and display of certain signs which guidelines may govern the location, nature, dimensions,

number, and time period a sign may remain on the Property or a Unit. As used in this *Section 10.7*, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Architectural Reviewer, acting through the Association, may effect the immediate removal of any sign or object which has not been approved in advance by the Architectural Reviewer.

10.8. **Hazardous Activities**. No activities will be conducted on the Regime and no Improvements constructed on the Regime, which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks may be discharged upon the Regime and no open fires may be lighted or permitted.

10.9. **Use of the Units**. All portions of a Unit shall be used only for such purposes that: (i) are permitted by Applicable Law; and (ii) conform to the Rules.

10.10. **Mining and Drilling**. No portion of the Regime will be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth.

10.11. **Compliance with Applicable Law and Ground Lease**. The Property as a whole, each Unit therein, the contents of each Unit, the Common Elements, and all facilities on the Common Elements, must comply with and conform to the Ground Lease and all applicable minimum standards, rules, regulations, and laws promulgated by any Governmental Authority. No Owner will permit anything to be done within the Regime or any portion thereof that would violate in any respect any Applicable Law, or that would be in violation of any covenant, condition or restriction set forth in this Declaration or the Ground Lease. Without limitation on the foregoing, each Owner must cause his Unit to at all times comply in all material respects with Applicable Law and the Ground Lease. Notwithstanding any provisions herein to the contrary, however, each Owner will be entitled to in good faith and with due diligence contest and challenge any applicable governmental ordinance, rule or regulation.

## ARTICLE 11
## ASSOCIATION OPERATIONS

11.1. **Board**. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" means "the Association acting through its Board of Directors."

11.2. **The Association**.

11.2.1. Generally. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under Applicable Law, except as set

forth in the Documents. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

11.2.2. Professional Management Agreement. The Association may employ a responsible individual, corporation or other entity to manage, operate, and maintain the Common Elements, with all of the administrative functions and such other powers and duties as the Association may delegate to time to time and for such fees as the Association may establish. The cost of such manager shall be a Common Expense.

11.2.3. Further Rights. In addition to and not in limitation of all other rights it may have, the Association, acting through the Board, shall have the right and authority to take any or all of action set forth below:

(i) To make and to enforce reasonable Rules governing the use of the Units, and the Common Elements;

(ii) To enforce the Documents by the imposition of reasonable monetary fines and suspension of use and voting privileges as permitted pursuant to the Act;

(iii) To grant and accept permits, licenses, utility easements, leases, and other easements;

(iv) To acquire, hold, and dispose of tangible and intangible personal property and real property;

(v) To enter into joint agreements and contracts with any Owner or any third party for the provision of services, including, without limitation, management, landscaping, porter, utilities, concierge and property monitoring services, and trash removal services; and

(vi) To control, manage, operate, maintain, improve and replace all portions of the General Common Elements.

11.3. **Governance During the Declarant Control Period**. The Board will consist of three (3) Board members, initially appointed by the Declarant. During the Declarant Control Period, the Declarant will have the exclusive authority to appoint and remove all officers and directors of the Association. Within one hundred and twenty (120) days after fifty percent

(50%) of the maximum number of Units that may be created have been conveyed to Owners other than Declarant, at least one-third (1/3) of the Board must be elected by Owners other than Declarant.

11.4. **Membership**. Each Owner is a Member of the Association, ownership of a Unit being the sole qualification for membership. If a Unit is owned by more than one Person or entity, each Owner is a Member of the Association and may exercise the membership rights appurtenant to the Unit.

11.5. **Manager.** The Board may delegate the performance of certain functions to one or more managers or managing agents of the Association. Notwithstanding any delegation of its functions, the Board is ultimately responsible to the Members for governance of the Association.

11.6. **Books and Records**. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to the requirements of Chapter 22 of the Texas Business Organizations Code.

11.7. **Indemnification**. The Association indemnifies every officer, director, and committee member (for purposes of this Section, "**Leaders**") of the Association against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. A Leader is liable for the Leader's willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a Common Expense, the Association may maintain general liability and directors' and officers' liability insurance to fund this obligation.

## ARTICLE 12
## ENFORCING THE DOCUMENTS

12.1. **Remedies**. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by Applicable Law, the Association has the following rights to enforce the Documents:

12.1.1. Nuisance. The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

12.1.2. Fine. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Unit or interest in a Unit if the Owner or Occupant, or their respective family members, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and do not constitute a waiver or discharge of the Owner's obligations under the Documents.

12.1.3. Legal Proceedings. Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Board will give the defaulting party thirty (30) days' notice of its intent to commence a legal proceeding; provided that if the defaulting party cannot reasonably cure the violation within the thirty (30) day period, then such thirty (30) day period will be extended if the defaulting party has commenced to cure such violation after the effective date of the notice and within the thirty (30) day period and proceeds in good faith, continuously, and with due diligence to remedy and correct any such violation.

12.2. **Board Discretion**. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances: (i) the Association's position is not sufficiently strong to justify taking any or further action; (ii) the provision being enforced is or may be construed as inconsistent with Applicable Law; (iii) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

12.3. **No Waiver**. The Declarant, the Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Declarant, the Association, or any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.

12.4. **Recovery of Costs**. The costs of curing or abating a violation are the expense of the Owner or other Person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

12.5. **Notice and Hearing**. Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property

damage, the Association will give the Owner written notice of the proposed levy and an opportunity to be heard. The Association's written notice must contain: (i) a description of the violation or property damage; (ii) the amount of the proposed fine or damage charge; (iii) a statement that not later than the thirtieth (30th) day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and (iv) a stated date by which the Owner may cure the violation to avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. The Association may also give a copy of the notice to any Occupant. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another Person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the requirements of Applicable Law.

12.6. **Injury to Person or Property**. NEITHER THE ASSOCIATION NOR DECLARANT, OR THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, OR EMPLOYEES, HAVE A DUTY OR OBLIGATION TO ANY OWNER, ANY OCCUPANT OR THEIR RESPECTIVE PERMITTEES: (I) TO SUPERVISE ANY PERSON; OR (II) TO PROVIDE SECURITY OR PROTECTION TO ANY OWNER, ANY OCCUPANT OR THEIR RESPECTIVE PERMITTEES FROM HARM OR LOSS. BY ACCEPTING TITLE TO A UNIT, EACH OWNER AGREES THAT THE LIMITATIONS SET FORTH IN THIS SECTION ARE REASONABLE AND CONSTITUTE THE EXERCISE OF ORDINARY CARE BY THE ASSOCIATION AND DECLARANT. EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT, AND DECLARANT'S AGENTS FROM ANY CLAIM OF DAMAGES, TO PERSON OR PROPERTY ARISING OUT OF AN ACCIDENT OR INJURY IN OR ABOUT THE REGIME TO THE EXTENT AND ONLY TO THE EXTENT CAUSED BY THE ACTS OR OMISSIONS OF SUCH OWNER OR THE OWNER'S PERMITTEES TO THE EXTENT SUCH CLAIM IS NOT COVERED BY INSURANCE OBTAINED BY THE ASSOCIATION AT THE TIME OF SUCH ACCIDENT OR INJURY.

## ARTICLE 13
## INSURANCE

13.1. **General Provisions**. The broad purpose of this Article is to require that the Regime be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the purchase or Improvement of Units, and in accordance with the Ground Lease. The Board will make every reasonable effort to comply with the requirements of this *Article 13*.

13.1.1. Unavailability. The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this Article or for any

loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.

13.1.2. No Coverage. Even if the Association and the Owners have adequate amounts of recommended and required coverages, the Regime may experience a loss that is not covered by insurance. In that event, the Association is responsible for restoring the General Common Elements as a Common Expense, and the Owner is responsible for restoring the Owner's Unit and Limited Common Elements.

13.1.3. Requirements. The cost of insurance coverages and bonds maintained by the Association is a Common Expense unless allocable to an Owner as provided in this Article. The Association's policies should contain the standard mortgage clause. The loss payee clause should show the Association as trustee for each Owner and each such Owner's Registered Mortgagee. Policies of property and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner. The Association's insurance policies will not be prejudiced by the act or omission of any Owner or Occupant who is not under the Association's control.

13.1.4. Association as Trustee. Each Owner irrevocably appoints the Association, acting through its Board, as such Owner's trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. The Association shall hold the proceeds of any claim in trust for the benefit of each Owner, including Declarant, and such Owner's Registered Mortgagee, if any.

13.1.5. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. The Board will give to Registered Mortgagees, and the insurer will give to Registered Mortgagees, notices of cancellation, termination, expiration, or material modification.

13.2. **Deductibles.** An insurance policy obtained by the Association may contain a deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by the Act or this Declaration. In the event of an insured loss, the deductible is treated as a Common Expense. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Occupant, then the Board may levy an Individual

Assessment against the Owner and such Owner's Unit for the amount of the deductible that is attributable to the act or omission.

13.3. **Insurance – Association.** The Association will obtain blanket all-risk insurance if reasonably available, for all Common Elements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover one-hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

The Association will maintain a commercial general liability insurance policy over the Common Elements – expressly excluding the liability of each Owner and Occupant within his Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. Such policy shall comply with the requirements of the Ground Lease.

The Association may maintain directors and officer's liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

13.4. **Insurance – Owner.** In no event will the Association maintain property insurance or general liability insurance on any Units. Each Owner shall be obligated to maintain property insurance on such Owner's Unit, including any Improvements constructed within or exclusively serving such Unit, in an amount sufficient to cover one-hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Each Owner will also be obligated to maintain a commercial general liability insurance policy for bodily injury and property damage resulting from the operation, maintenance, or use of its Unit. The amount of coverage shall be commercially reasonable, but not less than the amounts required in the Ground Lease. All commercial general liability policies shall name each Owner and Ground Lessor as additional insureds. Upon request by the Board, the Owner shall furnish a copy of such insurance policy or policies to the Association on an annual basis.

**THE ASSOCIATION DOES NOT INSURE UNITS, LIMITED COMMON ELEMENTS OR ANY IMPROVEMENTS CONSTRUCTED THEREON.**

If any Improvements of a Unit are damaged or destroyed, the Owner of such Unit may, but shall have no obligation to, repair, restore or rebuild the Improvements within such Unit; provided, however, the Owner thereof shall comply with all Applicable Law concerning the condition and protection of the damaged Improvements, and if the Owner thereof elects not to repair, restore or rebuild the Improvements within the Unit, such Owner, at its sole cost and expense, shall promptly raze any damaged improvements and restore the area where such Improvements were located into

its condition prior to construction of such Improvements, and shall thereafter maintain such area in good condition and in accordance with all Applicable Law. An Owner shall give the Association notice in case of fire or other material and substantial casualty promptly after such Owner is aware of any such event.

If the whole or any part of any Improvements within a Unit are damaged or destroyed, and if the Owner thereof elects to rebuild the Improvements within the Unit, the Owner shall, at its sole cost and expense, promptly repair, restore or rebuild the Improvements to substantially the condition they were in immediately prior to such damage or destruction, except to the extent otherwise approved by the Architectural Reviewer. All restoration work, if undertaken, shall be promptly commenced and performed with due diligence in a good and workmanlike manner and in accordance with Applicable Law and plans and specifications for such work reasonably approved by the Architectural Reviewer.

## ARTICLE 14
## TERMINATION AND CONDEMNATION

14.1. **Association as Trustee**. Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Common Elements in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Common Elements. As trustee, the Association will have full and complete authority, right, and power to: (i) do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; (ii) effect the sale of the Common Elements as permitted by this Declaration or by the Act; and (iii) make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

14.2. **Termination**. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act and shall be subject to the prior written consent of Ground Lessor, which shall not be unreasonably delayed.

14.3. **Condemnation**. The Association's response to condemnation of any part of the Property will be governed by Section 82.007 of the Act.

## ARTICLE 15
## AMENDMENTS

15.1. **Consents Required**. To the extent expressly permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant acting alone, or by certain Owners acting alone, or by the Board acting alone, unless otherwise prohibited by the Ground Lease. Otherwise, amendments to this Declaration must be approved by the Ground Lessor and all of the Owners representing eighty percent (80%) of the votes in the Association.

15.2. **Effective**. To be effective, an amendment must be in the form of a written instrument: (i) referencing the name of the Regime, the name of the Association, and the Recording data of this Declaration and any amendments hereto; (ii) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners; and (iii) Recorded.

15.3. **Declarant Provisions**.

15.3.1. Declarant. During the Declarant Control Period, Declarant hereby reserves the right to unilaterally amend this Declaration for the following purposes:

(i) to meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units;

(ii) to correct any defects in the execution of this Declaration or the other Documents;

(iii) to add real property to the Regime;

(iv) to create Units, General Common Elements, and Limited Common Elements within the Regime or within real property that may be added to the Regime;

(v) to subdivide Units or convert Units into General Common Elements or Limited Common Elements;

(vi) to withdraw all or any portion of the Property from the terms of this Declaration and the Regime, provided that no Unit proposed to be withdrawn from the Declaration and the Regime has been conveyed to an Owner other than Declarant;

(vii) to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents;

(viii) to exercise any Development Rights listed in *Section 1.21* of this Declaration, not otherwise described in this *Section 15.3*; and

(ix) to exercise any development right as defined in Section 82.003(12) of the Act, not otherwise described in this *Section 15.3*.

15.3.2. Additional Rights. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration or the

Act without Declarant's written and acknowledged consent, which must be part of the Recorded amendment instrument. During the Development Period, this Section may not be amended without Declarant's written and acknowledged consent.

## ARTICLE 16
## DISCLOSURES

16.1. **Budgets**. Any budgets provided by the Association or Declarant are based on estimated expenses only without consideration for the effects of inflation and may increase or decrease significantly when the actual expenses become known. Accordingly, if the actual expenses exceed estimated expenses, the Assessments or charges levied to discharge such expenses will be different from the estimated amounts.

16.2. **Adjacent Thoroughfares**. The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

16.3. **Adjacent Property**. No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

16.4. **Erosion/Flooding**. The Property may be subject to erosion and/or flooding during unusually intense or prolonged periods of rain.

16.5. **Security**. **THE ASSOCIATION AND/OR THE DECLARANT MAY, BUT IS NOT OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY DESIGNED, EITHER DIRECTLY OR INDIRECTLY, TO IMPROVE SAFETY IN OR ON THE PROPERTY. EACH OWNER AND OCCUPANT ACKNOWLEDGES AND AGREES, FOR HIMSELF AND HIS GUESTS, THAT THE DECLARANT, THE ASSOCIATION AND THEIR RESPECTIVE PARTNERS, DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES ARE NOT PROVIDERS, INSURERS, OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. EACH OWNER AND OCCUPANT ACKNOWLEDGES AND ACCEPTS HIS SOLE RESPONSIBILITY TO PROVIDE SECURITY FOR HIS OWN PERSON AND PROPERTY, AND ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO SAME. EACH OWNER AND OCCUPANT FURTHER ACKNOWLEDGES THAT THE DECLARANT, THE ASSOCIATION, AND THEIR RESPECTIVE PARTNERS, DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS THE OWNER OR OCCUPANT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE, BURGLARY, AND/OR INTRUSION SYSTEMS RECOMMENDED OR INSTALLED, OR ANY SECURITY**

**MEASURES UNDERTAKEN WITHIN THE PROPERTY. EACH OWNER AND OCCUPANT ACKNOWLEDGES AND AGREES THAT THE DECLARANT, THE ASSOCIATION, AND THEIR RESPECTIVE PARTNERS, DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES MAY NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.**

## ARTICLE 17
## REGISTERED MORTGAGEE PROTECTION PROVISIONS

17.1. **Notice Provisions**. All Registered Mortgagees shall be entitled to receive the following notices in writing from the Association or any Owner exercising rights affecting that Registered Mortgagee's borrower's rights under this Declaration or affecting the Registered Mortgagee's rights, as the case may be:

(i) notice of any proposed action which requires the consent of Registered Mortgagees, which notice shall be given not less than 30 days prior to the desired effective date of such action;

(ii) notice of default by the Owner (the beneficial interest in which Unit is held by that Registered Mortgagee) in the performance of such Owner's obligations, delinquency in the payment of Assessments owed by such Owner or Governmental Impositions which remains uncured for a period of 60 days after notice thereof;

(iii) notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond required to be maintained hereunder by the Association or by any Owner;

(iv) notice of any damage or destruction to or condemnation of any portion of the Regime that affects either a material portion of the Property or a Unit, the beneficial interest in which is held by that Registered Mortgagee, which notice shall be given promptly upon the Association's obtaining knowledge of such damage or destruction;

(v) 60 days notice prior to the Association instituting any foreclosure action on any Unit; and

(vi) 30 days notice prior to the effective date of (i) any proposed material amendment to this Declaration or the Plat and Plans; (ii) any termination of an agreement for professional management of the Property following any decision of the Owners to assume self-management of the Property; and (iii) any proposed termination of the Regime.

17.2. **Cure Rights**. Any Registered Mortgagee shall have the right, but not the obligation, at any time prior to the termination of this Declaration, and without payment of any penalty, to do any act or thing required of such Registered Mortgagee's borrower hereunder; and to do any act or thing which may be necessary or proper to be done in the performance and observance of the agreements, covenants and conditions of such Owner in this Declaration. All payments so made and all things so done and performed by any Registered Mortgagee shall be effective to prevent a default under this Declaration as the same would have been if made, done and performed by Declarant or any Owner instead of by said Registered Mortgagee. Any event of default under this Declaration which in the nature thereof cannot be remedied by Registered Mortgagee shall be deemed to be remedied if within, 30 days after receiving written notice from the non-defaulting party setting forth the nature of such event of default, or prior thereto the Registered Mortgagee shall: (i) have acquired the property owned by the defaulting party (the "**Acquired Property**") or commenced foreclosure or other appropriate proceedings in the nature thereof, and shall thereafter diligently prosecute any such proceedings; (ii) have fully cured any default in the payment of any monetary obligations owed the non-defaulting party hereunder within such 30 day period and shall thereafter continue to perform faithfully all such non-monetary obligations which do not require possession of the Acquired Property; and (iii) after gaining possession of the Acquired Property following a foreclosure or deed in lieu thereof, the Registered Mortgagee performs all future obligations of the defaulting party hereunder as and when the same are due. Nothing in this Section 17.2 shall alter the notice and cure rights between a Registered Mortgagee and the Ground Lessor, which are set forth in the Ground Lease.

17.3. **No Invalidity of Mortgage Lien**. No violation of this Declaration by, or enforcement of this Declaration against, any party shall affect, impair, defeat or render invalid the lien of any mortgage that secures any Priority Lien Indebtedness.

17.4. **Registered Mortgagee Requirements**. The Association agrees to cooperate reasonably with any requesting party in regard to the satisfaction of requests or requirements by a Registered Mortgagee; provided, however, such cooperation shall be at the sole cost and expense of the requesting party, and provided, further, that no party shall be deemed obligated to accede to any request or requirement that materially and adversely affects its rights under this Declaration.

17.5. **Unpaid Assessments**. Each Person holding a mortgage secured by any Priority Lien Indebtedness encumbering any Unit, which Person obtains title to such Unit pursuant to judicial foreclosure, or the powers provided in such mortgage, or a deed in lieu of foreclosure, shall take title to such Unit free and clear of any claims for unpaid Assessments against such Unit which accrued prior to the time such Person acquires title to such Unit, except as otherwise set forth in *Article 6* of this Declaration.

17.6. **Books and Records**. All Registered Mortgagees, upon written request, shall have the right to: (i) examine the books and records of the Association, including current copies of this Declaration, the Bylaws and the Rules and financial statements, during normal business hours; (ii) require the Association to submit an annual audited financial statement for the preceding fiscal year within 120 days of the end of the Association's fiscal year, if one is available, or have one prepared at the expense of the requesting Person if such statement is not otherwise prepared by the Association; (iii) receive written notice of all meetings of the Owners; and (iv) designate in writing a representative to attend all such meetings.

17.7. **Priority of Rights**. No provision of this Declaration shall be construed or applied to give any Owner priority over any rights of any Registered Mortgagee if the proceeds or awards are not applied to restoration but are distributed to the Owners after a casualty loss or condemnation of a Unit and/or the Common Elements.

## ARTICLE 18
## GROUND LEASE PROVISIONS

18.1. **Subordination to Ground Lease**. Each Owner and Occupant, with acceptance of a deed to a Unit, shall be deemed to acknowledge that the Documents are subject and subordinate to the terms and provisions of the Ground Lease, except as otherwise provided in the Ground Lease or the Act.

18.2. **Recording Data**. The Ground Lease is evidenced by a Memorandum of Lease recorded as Document No. _____, Official Public Records of Williamson County, Texas.

18.3. **Expiration Date.** The expiration date of the Ground Lease is June 9, 2056 at 11:59 p.m., unless otherwise extended pursuant to the Ground Lease.

18.4. **No Redemption Right.** The Owners do not have any right to redeem the reversion held by Ground Lessor.

18.5. **No Right to Remove Improvements**. The Owners do not have any right to remove Improvements from the Property after the expiration or termination of the Ground Lease.

18.6. **No Right to Renew.** The Owners do not have any right to renew the Ground Lease.

18.7. **Execution by Ground Lessor**. Ground Lessor executes this Declaration solely as provided by Section 82.056 of the Act. Ground Lessor shall have no responsibility for the compliance with any provision of this Declaration and shall have absolutely no liability or obligation regarding any provision hereof.

18.8. **Owner's Obligation for Base Rent.** Each Owner is responsible for the Base Rent and Ground Lease Obligations, as defined herein, attributable to such Owner's Unit, as set forth in the Ground Lease. Base Rent shall be paid by each Owner in monthly installments to the Association. In the event that an Owner fails to pay any amount due pursuant to this *Section 18.8*, or fails to perform any Ground Lease Obligations as defined below: (1) the Ground Lessor may terminate the leasehold rights of the Owner as permitted by applicable law and subject to the terms of the Ground Lease; and (2) the Association and the Ground Lessor shall have the same remedies for non-payment of Assessments as set forth in *Article 7* (remedies afforded to the Association and discretionary authority assigned to the Board or Association pursuant to *Article 7* shall benefit or be exercised, as applicable, by the Ground Lessor). In addition, and not by way of limitation, the Association or Ground Lessor shall further have the right to cause a notice of the lien to be Recorded against the defaulting Owner's Unit, which lien may be enforced in the same method as is provided for the enforcement of Assessment liens in *Article 6* of this Declaration.

18.9. **Owner Assumption of Ground Lease Obligations**. Each Owner, with acceptance of a deed to a Unit, shall be deemed to assume any and all obligations, liabilities, limitations, rights, waivers, benefits or burdens that are vested or that may in the future become vested in or upon the "Lessee" pursuant to the Ground Lease and that are applicable to such Unit (the "**Ground Lease Obligations**"). The Ground Lease Obligations shall automatically be obligations, liabilities, limitations, rights, waivers, benefits or burdens of the Owners upon the Recordation of a deed to a Unit. This Section constitutes any assumption requirements set forth in the Ground Lease without any further action.

18.10. **Self-Help Regarding Ground Lease Events of Default**. Upon any Ground Lease Event of Default (as defined in the Ground Lease), the Association shall have the right, but not the obligation, to remedy or cause the remediation of any such default and the cost and expense thereof (together with interest thereon not to exceed the lesser of eighteen percent (18%) per annum or the maximum rate permitted by Applicable Law from the date paid by the Association until the date such sum is repaid by the defaulting Owner), including the reimbursement of all attorney's fees incurred in connection with remedying such Ground Lease Event of Default, shall be assessed against the Owner or Owners creating the default and shall be secured by a lien upon such Owner's Unit. The Association shall have the right to cause a notice of the lien to be Recorded and such lien may be enforced in the same method as is provided for the enforcement of Assessment liens in this Declaration.

18.11. **INDEMNIFICATION RELATING TO GROUND LEASE OBLIGATIONS.** EACH OWNER SHALL INDEMNIFY AND HOLD HARMLESS EACH OF THE OTHER OWNERS, DECLARANT AND THE ASSOCIATION FROM AND AGAINST ALL LIABILITIES AND OBLIGATIONS ARISING FROM THE INDEMNIFYING OWNER FAILING TO COMPLY WITH ANY GROUND LEASE OBLIGATIONS.

## ARTICLE 19
## GENERAL PROVISIONS

19.1. **Assignment**. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by Recorded written instrument, assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any Person and may permit the participation, in whole, in part, exclusively, or non-exclusively, by any other Person in any of its privileges, exemptions, rights and duties hereunder.

19.2. **Notices**. Any notice permitted or required to be given by this Declaration will be in writing and may be delivered either by **electronic mail**, personally or by mail. Such notice will be deemed delivered at the time of personal or **electronic delivery**, and if delivery is made by mail, it will be deemed to have been delivered on the third day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such Person to the Association.

19.3. **Estoppel Certificates**. Except as expressly provided in this *Section 19.3*, each Owner, from time to time but no more often than twice each calendar year, shall have the right to require the Association (as to all items listed in this *Section 19.3*) and the other Owners (as to *Sections 19.3(iii), (iv), (v) and (vi)*) to deliver to the requesting Owner a written statement addressed to the requesting Owner and its Registered Mortgagee or purchaser of its Unit, as applicable, without payment of any fee or cost certifying: (i) this Declaration is unmodified and in full force and effect (or if modified that this Declaration as so modified is in full force and effect); (ii) the Declaration attached to the certificate is a true and correct copy of this Declaration and all amendments hereto; (iii) the date through which all Assessments have been paid by the Owner requested to provide the certificate and by the Owner requesting such certificate; (iv) to the knowledge of the certifying party, neither the certifying party nor the requesting Owner is in default of any of its obligations under this Declaration (or if the certifying party knows the certifying party or requesting Owner to be in default, specifying the defaults and the remaining cure period, if any); (v) the certifying party holds no existing liens against the requesting Owner's Unit; and (vi) such other matters as are reasonably requested by the requesting Owner.

19.4. **Compliance.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Law, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

19.5. **Conflicts**. The documents are subordinate to Applicable Law. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with Applicable Law. If a conflict exists between the provisions of the Documents and the Ground Lease, then such documents shall control in the following order:

(i) the Ground Lease

(ii) this Declaration;

(iii) the Certificate;

(iv) the Bylaws; and

(v) the Rules.

19.6. **Interpretation**. The provisions of this Declaration will be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Regime and of promoting and effectuating the fundamental concepts of the Regime set forth in the Documents. The Documents shall be construed and governed under the laws of the State of Texas.

19.7. **Duration.** Unless earlier terminated or amended by Owners, or the Declarant as permitted herein, the provisions of this Declaration run with and bind the Regime, and will remain in effect for the duration of the Ground Lease to the extent permitted by Applicable Law.

19.8. **Captions.** In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

19.9. **Construction**. The provisions of this Declaration will be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof will not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular will include the plural and the plural the singular; and the masculine, feminine, or neuter will each include the masculine, feminine, and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and will not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections, or articles hereof.

19.10. **Attachments**. The following attachments are attached to this Declaration and are incorporated herein by reference:

Exhibit "A" – The Property
Attachment 1 – Bylaws
Attachment 2 – Plat and Plans
Attachment 3 – Encumbrances

EXECUTED on this _____ day of _____, 20___.

**DECLARANT:**

**GTU PROPERTY DEVELOPER, LLC,**
a Texas limited liability company

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §

COUNTY OF_____ §

This instrument was acknowledged before me on this _____ day of _____, 20___, by _____, _____ of GTU Property Developer, LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
(seal) Notary Public, State of Texas

**GROUND LESSOR**:

The City of Georgetown, Texas, signs this Declaration in limited capacity required of a ground lessor under Section 82.056 of the Texas Property Code, but not otherwise.

**CITY OF GEORGETOWN, TEXAS,**
a Texas home-rule city

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §

COUNTY OF_____ §

This instrument was acknowledged before me on this _____ day of _____, 20___, by _____, _____ of the City of Georgetown, Texas, a Texas home-rule city, on behalf of said home-rule city.

_____
(seal) Notary Public, State of Texas

**EXHIBIT "A"**

**PROPERTY**

Tract 1: Being 1.06 acres of land, more or less, out of the DAVID WRIGHT SURVEY, ABSTRACT NO. 13, in Williamson County, Texas, being a portion of that certain 598.39 acre tract conveyed in Deed recorded in Volume 312, Page 121, of the Deed Records of Williamson County, Texas. Said 1.06 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Tract 2: Being 1.08 acres of land, more or less, out of the DAVID WRIGHT SURVEY, ABSTRACT NO. 13, in Williamson County, Texas, being a portion of that certain 598.39 acre tract conveyed in Deed recorded in Volume 312, Page 121, of the Deed Records of Williamson County, Texas. Said 1.08 acre tract being more particularly described by metes and bounds in Exhibit "B" attached hereto and made a part hereof.

**ATTACHMENT 1**

**GEORGETOWN AIRPORT CONDOMINIUM COMMUNITY, INC.**
**BYLAWS**
(a Texas condominium association)

## ARTICLE 1
## INTRODUCTION

1.1. **Property**. These Bylaws of Georgetown Airport Condominium Community, Inc., provide for the governance of the condominium regime known as Georgetown Airport Condominiums, established on certain real property located in Williamson County, Texas (the "**Property**"), as more particularly described in that certain Declaration of Condominium Regime for Georgetown Airport Condominiums, recorded or to be recorded in the Official Public Records of Williamson County, Texas (the "**Declaration**").

1.2. **Parties to Bylaws**. All present or future Owners and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Documents as defined in the Declaration. The mere acquisition or occupancy of a Unit will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. **Definitions**. Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Article 1 of the Declaration is incorporated herein by reference.

1.4. **Nonprofit Purpose**. The Association is organized to be a nonprofit corporation.

1.5. **General Powers and Duties**. The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and Applicable Law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents.

## ARTICLE 2
## BOARD OF DIRECTORS

2.1. **Governance**. During the Declarant Control Period, the Board will consist of three (3) persons. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but may not be less than three (3).

2.2. **Qualification**. The following qualifications apply to the election or appointment of persons to the Board.

2.2.1. Owners. At least a Majority of the Directors must be Members of the Association or spouses of Members.

2.2.2. Entity Member. If a Unit is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a Director and is deemed to be a Member for the purposes of this Section. If the relationship between the entity Member and the Director representing it terminates, that directorship will be deemed vacant.

2.2.3. Delinquency. No person may be elected or appointed as a Director if any assessment or fine against the person or his Unit is delinquent at the time of election or appointment, provided he has been given notice of the delinquency and a reasonable opportunity to cure the delinquency.

2.2.4. Litigation. No person may be elected or appointed as a Director if the person is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party.

2.3. **Election**. Directors will be elected by the Members of the Association. The election of Directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, electronic mail, or a combination of any of these.

2.4. **Vacancies**. Vacancies on the Board caused by any reason, except the removal of a Director by a vote of the Association, are filled by a vote of the Majority of the remaining Directors, even though less than a quorum, at any meeting of the Board. Each Director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder of the term.

2.5. **Removal of Directors**.

2.5.1. Removal by Members. At any annual meeting or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members must be given an opportunity to be heard at the meeting.

2.5.2. Removal by Directors. A Director may not be removed by the officers or by the remaining Directors, except for the following limited reasons for which a Director

may be removed by at least a Majority of the other Directors at a meeting of the Board called for that purpose:

i. The Director is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party; provided the Association did not file suit to effect removal of the Director.

ii. The Director's account with the Association has been delinquent for at least ninety (90) days or has been delinquent at least three (3) times during the preceding twelve (12) months; provided he was given notice of the default and a reasonable opportunity to cure.

iii. The Director has refused or failed to attend three (3) or more meetings of the Board during the preceding twelve (12) months; provided he was given proper notice of the meetings.

iv. The Director has refused or failed to cure a violation of the Documents for which he has been given notice, a reasonable opportunity to cure, and an opportunity to request a hearing before the Board.

2.6. **Meetings of the Board**.

2.6.1. Organizational Meeting of the Board. Within ten (10) days after the annual meeting, the directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the Board and announced to the directors.

2.6.2. Regular Meetings of the Board. Regular meetings of the Board may be held at a time and place that the Board determines, from time to time, but at least one (1) such meeting must be held each calendar year. Notice of regular meetings of the Board will be given to each director, personally or by telephone, written, or electronic communication, at least five (5) days prior to the date of the meeting.

2.6.3. Special Meetings of the Board. Special meetings of the Board may be called by the president or, if the president is absent or refuses to act, by the secretary, or by any two (2) directors. At least five (5) days' notice will be given to each director, personally or by telephone, written, or electronic communication, which notice must state the place, time, and purpose of the meeting.

2.6.4. Emergency Meetings. In case of emergency, the Board may convene a meeting after making a diligent attempt to notify each director by any practical method.

2.6.5. Conduct of Meetings. The president presides over meetings of the Board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

2.6.6. Quorum. At meetings of the Board, a Majority of Directors constitutes a quorum for the transaction of business, and the acts of the Majority of the Directors present at a meeting at which a quorum is present are the acts of the Board. If less than a quorum is present at a meeting of the Board, the Majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice. Directors may not participate by proxy at meetings of the Board.

2.6.7. Open Meetings. Regular and special meetings of the Board are open to Members of the Association, subject to the following provisions to the extent permitted or required by the Act:

(i) No audio or video recording of the meeting may be made, except by the Board or with the Board's prior express consent.

(ii) Members who are not directors may not participate in Board deliberations under any circumstances, and may not participate in Board discussions unless the Board expressly so authorizes at the meeting.

(iii) The Board may adjourn any meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or sensitive nature. The nature of business to be considered in executive session will first be announced in open session.

(iv) The Board may prohibit attendance by non-Members, including representatives, proxies, agents, and attorneys of Members.

(v) The Board may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board business.

(vi) The Board may but is not required to publish to Members the time, date, and place of Board meetings, but will provide the information if requested in writing by a Member on a meeting by meeting basis.

2.6.8. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.6.9. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote. This Section does not apply to actions that require meetings under the Act.

2.7. **Liabilities and Standard of Care**. In performing their duties, the directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to the following provisions of Applicable Law: Section 82.103(a) and (f) of the Act, and Sections 3.102, 3.105, 22.221, 22.223, 22.224, 22.225, 22.226, 22.227 and 22.230 of the Texas Business Organizations Code.

2.8. **Powers and Duties**. The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by Applicable Law or the Documents, are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in Applicable Law or the Documents, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

2.8.1. Appointment of Committees. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee Members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed from among the Owners and Occupants.

2.8.2. Manager. The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.9. **Fidelity Bonds**. Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a Common Expense of the Association.

## ARTICLE 3
## OFFICERS

3.1. **Designation**. The principal officers of the Association are the president, the secretary, and the treasurer. The Board may appoint one (1) or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must be directors. Other officers may, but need not, be Members or directors. Any two (2) offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the Board may appoint a director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. **Election of Officers**. The officers are elected no less than annually by the directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board.

3.3. **Removal and Resignation of Officers**. A Majority of directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for that purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

3.4. **Standard of Care**. In performing their duties, the officers are required to exercise the standards of care provided by Section 82.103(a) and (f) of the Act and by Section 3.105 of the Texas Business Organizations Code.

3.5. **Description of Principal Offices**.

3.5.1. President. As the chief executive officer of the Association, the president: (i) presides at all meetings of the Association and of the Board; (ii) has all the general powers and duties which are usually vested in the office of president of a corporation organized under Applicable Law; (iii) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) sees that all orders and resolutions of the Board are carried into effect.

3.5.2. Secretary. The secretary: (i) keeps the minutes of all meetings of the Board and of the Association; (ii) has charge of such books, papers, and records as the Board may direct; (iii) maintains a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, performs all duties incident to the office of secretary.

3.5.3. Treasurer. The treasurer: (i) is responsible for Association funds; (ii) keeps full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepares all required financial data and tax returns; (iv) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the Board; (v) prepares the annual and supplemental budgets of the Association; (vi) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (vii) performs all the duties incident to the office of treasurer.

3.6. **Authorized Agents**. Except when the Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association. In the absence of Board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association within their respective scope of authority.

## ARTICLE 4
## MEETINGS OF THE ASSOCIATION

4.1. **Annual Meeting**. An annual meeting of the Association will be held once during each twelve (12) month period on a date and at a time determined by the Board. At each annual meeting, the Members will elect directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.2. **Special Meetings**. It is the duty of the president to call a special meeting of the Association if directed to do so by written demand of Owners representing one hundred percent (100%) of the Units. The meeting must be held within thirty (30) days after receipt of the written demand. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. **Place of Meetings**. Meetings of the Association may be held at the Property or at a suitable place convenient to the Members, as determined by the Board.

4.3.1 Format: In-Person and Electronic Meetings. A meeting of the members of the Association, including any annual meeting or special meeting, may be held in person or by electronic or telephonic means. Any electronic or telephonic meeting must comply with the requirements of Section 6.002 of the Texas Business Organizations Code.

4.3.1(i) *In-Person Meetings*. "In person" shall mean a member's physical attendance at a meeting of the members of the Association.

4.3.1(ii) *Electronic Meetings*. "Electronic meeting" shall mean a meeting conducted using a suitable electronic communications system, such as videoconferencing technology (e.g., using ZOOM or Microsoft Teams).

4.3.1(iii) *Meetings Called for by Member Petition*. For any meeting of the members of the Association that has been called for by the Association's members who have petitioned for such a meeting in accordance with applicable law and, as applicable, the Association's governing documents, the Board of Directors may determine the format by which the meeting will be held.

4.3.2 Notice of Format and Means of Access. For any meeting of the members of the Association, the Association's required notice to its members must specify the format of the meeting. Depending on the format, the following information must be provided:

4.3.2(i) *In-Person Meeting Location Information*. If the meeting is an in-person meeting, the Association's notice to its members must specify the location of the meeting.

4.3.2(ii) *Electronic or Telephonic Meeting Login Information*. If the meeting is an electronic or telephonic meeting, the Association's notice to its members must include information as to how a member may participate. For example, a meeting conducted via the ZOOM technology platform must include the meeting link or access number as well as any necessary login and password information.

4.4. **Notice of Meetings**. At the direction of the Board, written notice of meetings of the Association will be given to an Owner of each Unit at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. **Voting Members List**. The Board will prepare and make available a list of the Association's voting Members in accordance with Section 22.158(b) of the Texas Business Organizations Code.

4.6. **Quorum**. At any meeting of the Association, the presence in person or by proxy of Members representing at least fifty one percent (51%) of the voting interests in the Association constitutes a quorum. Members present at a meeting at which a quorum is present

may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.7. **Lack of Quorum**. If a quorum is not present at any meeting of the Association for which proper notice was given, Members representing at least a Majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than twenty-four (24) hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice.

4.8. **Votes**. The vote of Members representing at least a Majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. Cumulative voting is prohibited.

4.8.1. Co-Owned Units. If a Unit is owned by more than one Member, the vote appurtenant to that Unit is cast in accordance with Section 82.110(a) of Act, which is summarized as follows. If only one of the multiple Owners of a Unit is present at a meeting of the Association, that person may cast the vote allocated to that Unit. If more than one of the multiple Owners is present, the vote allocated to that Unit may be cast only in accordance with the multiple Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the vote allocated to a Unit and none of the other Owners makes prompt protest to the person presiding over the meeting.

4.8.2. Entity-Owned Units. If a Unit is owned by a corporation, the vote appurtenant to that Unit may be cast by any officer of the corporation in the absence of the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of the partners' written appointment of a specific person. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

4.9. **Proxies**. Votes may be cast in person or by written proxy at any meeting of the Association. To be valid, each proxy must: (i) be signed and dated by a Member or the Member's attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give

actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association receives the original proxy within five (5) days after the vote.

4.10. **Conduct of Meetings**. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the Documents. Votes should be tallied by Members appointed by the person presiding over the meeting.

4.11. **Order Of Business**. Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Unfinished or old business
- New business

4.12. **Adjournment of Meeting**. At any meeting of the Association, a Majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

4.13. **Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by Section 22.160(b)(c) and (d) of the Texas Business Organizations Code, which may include hand delivery, mail, fax, email, or any combination of these. Written consents by Members representing at least a Majority of votes in the Association, or such other percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of directors.

4.14. **Telephone Meetings**. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## ARTICLE 5
## ASSOCIATION RECORDS

5.1. **Records**. The Association will keep the records required by Section 82.114(a) of the Act.

5.2. **Inspection of Books and Records**. Books and records of the Association will be made available for inspection and copying pursuant to Section 82.114(b) of the Act and Sections 3.151, 3.153 and 22.351 of the Texas Business Organizations Code.

5.3. **Resale Certificates**. Any officer may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. The Association may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Unit for which the certificate is furnished.

## ARTICLE 6
## NOTICES

6.1. **Co-Owners**. If a Unit is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners.

6.2. **Delivery of Notices**. Any written notice required or permitted by these Bylaws may be given personally, by mail, by fax, or by any other method permitted by Applicable Law. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by fax, the notice is deemed delivered on successful transmission of the facsimile.

6.3. **Waiver of Notice**. Whenever a notice is required to be given to an Owner, Member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or director of the time, place, and purpose of the meeting. If all Members or directors are present at any meeting of the Association or Board, respectively, no notice is required and any business may be transacted at the meeting.

## ARTICLE 7
## AMENDMENTS TO BYLAWS

7.1. **Authority**. These Bylaws may only be amended by the unanimous consent of the Board members and with the prior written approval of Ground Lessor.

7.2. **Proposals**. The Association will provide to each Owner a detailed description, if not exact wording, of any proposed amendment. The description will be included in the notice of any annual or special meeting of the Association if the proposed amendment is to be considered at the meeting.

7.3. **Effective**. To be effective, each amendment must be in writing, must recite the recording data for the Bylaws, and be Recorded.

## ARTICLE 8
## GENERAL PROVISIONS

8.1. **Compensation**. A director, officer, Member, or Occupant may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a director, officer, Member, or Occupant. Nevertheless,

(i) Reasonable compensation may be paid to a director, officer, Member, or Occupant for services rendered to the Association in other capacities.

(ii) A director, officer, Member, or Occupant may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the Board.

(iii) The Board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.

(iv) This provision does not apply to distributions to Owners permitted or required by the Declaration or the Act.

8.2. **Conflicting Provisions**. If any provision of these Bylaws conflicts with any provision of Applicable Law, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect. In the case of any conflict between the Certificate of Formation of the Association and these Bylaws, the Certificate of Formation controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

8.3. **Severability**. Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

8.4. **Construction**. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and may not be construed as defining or modifying the text to which they refer. The singular is construed to include the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

8.5. **Fiscal Year**. The fiscal year of the Association will be set by resolution of the Board, and is subject to change from time to time as the Board determines. In the absence of a resolution by the Board, the fiscal year is the calendar year.

8.6. **Waiver**. No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

8.7. **Indemnification**. To the fullest extent permitted by Applicable Law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, committee member, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person:(i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of *nolo contendere* or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

8.8. **Preparer**. These Bylaws were prepared in by Robert D. Burton, Esq., Winstead PC, 600 W. 5th Street, Suite 900, Austin, Texas 78701.

**ATTACHMENT 2**

**[CONDOMINIUM PLAT AND PLANS]**

The plat and plans, attached hereto as Attachment 2 contains the information required by the Texas Uniform Condominium Act.

Printed Name: [_____]
RPLS or License No. [_____]

***SEE FOLLOWING PAGE FOR ORIGINAL CERTIFICATION***

**ATTACHMENT 3**

**[ENCUMBRANCES]**

- Terms, conditions, and stipulations in that certain Water Pollution Abatement Plan, as recorded in Volume 2015, Page 629, Volume 2060, Page 90, Volume 2220, Page 227, Volume 2525, Page 613, Volume 2720, Page 655, Document No. 9905433 and Document No. 199940772, of the Official Public Records of Williamson County, Texas.

- Oil, Gas and Mineral Lease dated December 9, 1931, between J. F. Hausenfluck, et al, as Lessor, and Dil-Tex Oil Corporation, as Lessee, recorded in Volume 261, Page 211, of the Deed Records of Williamson County, Texas.

# HANGAR GROUND LEASE AGREEMENT

**CITY OF GEORGETOWN, TEXAS**
**Ground Lessor**

**AND**

**GTU PROPERTY DEVELOPER, LLC**
**Ground Lessee**

# HANGAR GROUND LEASE AGREEMENT

THIS HANGAR GROUND LEASE AGREEMENT ("Agreement") is effective this _____ day of _____, 2026, by and between the City of Georgetown, Texas, a Texas home-rule city ("**City**" or "**Lessor**") and GTU Property Developer, LLC, a Texas limited liability company ("**Lessee**").

## Preliminary Statements

1. The City owns and operates an airport known as the Georgetown Executive Airport at Johnny Gantt Field located in Williamson County, Texas, including the real property upon which the same is located ("**KGTU**" or the "**Airport**"); and

2. The City and Lessee desire to enter into this Agreement for the use and occupancy of certain areas at the Airport; and

3. The City desires to accommodate, promote, and enhance general aviation at the Airport. Lessee desires assurance of the Airport's continued availability as a base for aircraft; and

4. The City and Lessee have agreed that Lessee will develop, construct, and occupy a hangar building or buildings, without cost to the City;

5. The Lessee intends to develop, construct, and occupy a hangar building or buildings for the sole purpose of conveying leasehold condominium units to individual owners pursuant to the Declaration, as defined herein and attached as Exhibit B hereto, for the storage of aircraft and aircraft equipment; and

6. In consideration of the premises and of the rents, covenants and conditions herein contained, the City does hereby lease to Lessee the area(s) of the Airport described in Article 2 hereof (the "**Leased Premises**"), as follows:

## ARTICLE 1: DEFINITIONS

1.1 "Act" means the Uniform Condominium Act codified at Chapter 82 of the Texas Property Code.

1.2 "Aeronautical Activities" means any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of aircraft, or which contributes to or is required for the safety of aircraft operations.

1.3 "Aircraft Hangar Facility" or "Facility" means the hangar structure(s) to be constructed pursuant to this Lease Agreement, and any associated structures, to be constructed on the Leased Premises by Lessee for the purpose of creating a leasehold condominium in accordance with the Uniform Condominium Act, Title 7, Chapter 82 of the Texas Property Code, which individual units may be conveyed to Unit Owners.

1.4 "Condominium Association" or "Association" means the condominium association created by the Condominium Declaration.

1.5 "Condominium Declaration" or "Declaration" means the condominium declaration titled "Declaration of Condominium Regime for Georgetown Airport Condominiums", as the same may be amended from time to time, establishing a leasehold condominium in accordance with the Act, creating a condominium association, and setting out the declaration of covenants, conditions, and restrictions, attached hereto as Exhibit B, Condominium Declaration.

1.6 "Condominium Documents" means the Condominium Declaration, Unit Owners' Association Bylaws, Assumption Agreement, and such other documents establishing the condominium regime.

1.7 "Improvements" mean the Facility, Ramp(s), and any and all structures constructed by Lessee on the Leased Premises.

1.8 "Unit" or "Units" means any condominium leasehold created pursuant to the Condominium Declaration.

1.9 "Unit Owner" means the record owner, whether one or more persons or entities, of beneficial or equitable title to a Unit created pursuant to the Declaration, which interest shall be subject at all times to this Lease Agreement.

## ARTICLE 2: TERM AND OPTIONS

2.1 The initial term of this Agreement shall commence at 12:01 a.m. on June 10, 2026, and expire at 11:59 p.m. on June 9, 2056 ("**Commencement Date**"), a duration of thirty (30) years (the "**Initial Term**"), unless sooner terminated in accordance with this Agreement.

2.2 Subject to the conditions herein, Lessee shall have the option to extend the term of this Agreement for one additional period of ten (10) years, hereinafter the "Extended Term," provided that at the time of such exercise and at all times before any Extended Term, Lessee is not in default in the payment of any rent or in default in any other provisions of this Agreement (individually and collectively, a "**Default**"). Lessee may exercise each option by giving written notice of such extension to the City not more than eighteen (18) months, nor less than nine (9) months, prior to the expiration of the Initial Term or the then-current Extended Term. The terms of this Agreement shall remain applicable during any Extended Term, except that rent shall be adjusted to market rates at the commencement of each Extended Term.

## ARTICLE 3: LEASED PREMISES

3.1 The Leased Premises consist of the parcels of land described in Exhibit A, comprised of approximately 93,218 square feet. During the first ninety (90) days of the Initial Term, Lessee shall deliver to the City a boundary survey and metes and bounds survey of the tract depicted in Exhibit A, with the lease boundaries set back three feet from Terminal Drive and South Hangar Drive. To the extent that such final survey reflects more or less than 93,218 square feet, the rent shall be adjusted at the rate of 40 cents per square foot. The Lessee acknowledges that:

(1) the Lessor makes no representations or warranty regarding the suitability of the Leased Premises for the Lessee's intended purposes, or the presence or absence of environmental, geologic, or other site conditions that may affect the Lessee's use of the Leased Premises; (2) Lessee accepts full responsibility for determining the suitability of the Leased Premises for its intended purposes; (3) Lessee has inspected and performed all tests and investigations of the Leased Premises for its intended purposes; and (4) Lessee is accepting the Leased Premises "as is," in their present condition, and Lessee agrees to perform all preparation, repairs, remediation, and alteration activities necessary to use the Leased Premises for Lessee's intended purposes. Lessee expressly disclaims reliance upon any statement, oral or written, made by any agent of the City concerning the condition, suitability, or business prospects of the Leased Premises.

## ARTICLE 4: USE OF LEASED PREMISES

4.1 Lessee shall use and occupy the Leased Premises for the following purposes and for no other purpose whatsoever unless approved in writing by City:

4.1.1 For the creation of condominium leaseholds pursuant to Article 4, construction, installation, maintenance, and operation of an Aircraft Hangar Facility to be used for the parking and storage of aircraft, and such other Aeronautical Uses as permitted by Federal Aviation Administration ("**FAA**") policy and the Airport Manager. No master sublease or sublease of more than 30% of the premises to a single tenant shall be valid unless each such sublease is approved in writing by the City and conforms to all applicable laws and the Airport Rules and Minimum Standards then in effect (the "**Rules**" and "**Minimum Standards**"). Facility subleases forms shall be reviewed and approved by the City Attorney's office, with approval not to be unreasonably withheld. Any such commercial use must also be consistent with the City of Georgetown, Texas, building, use and zoning regulations and requirements applicable to the Leased Premises. Lessee warrants that all such aircraft based at the Leased Premises shall comply with noise standards established under Part 36 of Title 14 of the Code of Federal Regulations, as amended from time to time. The Leased Premises shall not be used for residential purposes. Lessee shall comply with all FAA Grant Assurances in favor of the State of Texas or the United States. All of Lessee's rights shall be subordinate to such FAA Grant Assurances and other obligations to the United States or State of Texas.

4.1.2 The City makes no representations, guarantees, or warranties that the Leased Premises may be lawfully used for the purposes set forth in this Article 4. Lessee shall have the sole responsibility of obtaining all applicable permits or other governmental approvals necessary to use the Leased Premises. This Agreement is expressly conditioned upon Lessee obtaining all such permits and approvals within six (6) months of the commencement date. The failure of Lessee to obtain and maintain any such permits or approvals during the term of this Agreement shall result in termination of this Agreement pursuant to Article 22.

4.1.3 During the term of this Agreement, Lessee or its assigns shall use each Facility for the primary purpose of aircraft storage, and each Facility shall be used for Aeronautical Activities only, unless the prior written permission of the City is first obtained.

4.1.4 City reserves unto itself, its patrons, visitors, and other lessees and their patrons, visitors, and employees, the right of flight for the passage of aircraft above the surface of

the Leased Premises, together with the right to cause in such air space such noise, dust, interference as may be inherent in the operation of aircraft now known or hereafter in use, including the right of using said air space for landing at, taking off from, or operating at or near the Airport.

4.1.5 This Agreement is subject to the right of the United States of America to have exclusive or non-exclusive use, control and possession, without charge, of the Airport or any portion thereof during periods of national emergency; and further, subject to the right of the FAA and United States Government under such Agreement including the right to take a portion of the Airport premises for air traffic control activities, weather reporting activities or communication activities related to air traffic control.

## ARTICLE 5: CONDOMINIUM REGIME PERMITTED

5.1 Pursuant to Section 82.056 of the Texas Property Code, Lessee may impress on the Leased Premises a leasehold condominium regime, affecting all of the Leased Premises.

5.2 Number of Units. The Lessee may create not less than twelve (12) Units but no more than twenty (20) Units pursuant to the Condominium Declaration.

5.3 The Condominium Declaration. The Condominium Declaration shall set forth, at a minimum:

5.3.1 the recording data for the Agreement;

5.3.2 the date on which the Agreement is scheduled to expire;

5.3.3 a legally sufficient description of the property subject to the Agreement;

5.3.4 any right of the Unit Owners to redeem the reversion and the manner in which the unit owners may exercise that right, or a statement that the unit owners do not have that right;

5.3.5 that the Unit Owners do not have any right to remove improvements after the expiration or termination of the Agreement;

5.3.6 the ownership interest of any Unit Owner in any and all units in the Facility shall be subject and subordinate to all the terms and provisions of this Agreement and any amendments thereto;

5.3.7 that the Lessor has executed the Condominium Declaration solely as provided by Section 82.056 of the Act and shall have no responsibility for the compliance with any provision of the Condominium Declaration and have absolutely no liability or obligation regarding any provision thereof; and

5.3.8 that the Condominium Documents are subject and subordinate to the terms and provisions of this Agreement.

5.3.9 Notwithstanding anything to the contrary contained in the Condominium Documents, the Condominium Association shall have no authority to cause the Condominium

Association to take any of the following actions, or to consent to the following actions, without the prior consent of Lessor:

5.3.9.1 intentionally take any action in violation of this Agreement;

5.3.9.2 merge or consolidate the Condominium Association with or into any other Person;

5.3.9.3 amend or supplement the Condominium Documents, other than to attach or amend the "Plat and Plans" exhibit to the Condominium Declaration to conform to the constructed Improvements;

5.3.9.4 amend or supplement the Condominium Documents to annex additional Units into the Condominium Documents and amend the "Plat and Plans" exhibit to the Condominium Declaration to reflect such Units; provided, however no more than twenty (20) total Units may be created;

5.3.9.5 change the purpose of the Condominium Association as set forth in the Condominium Documents;

5.3.9.6 dissolve the Condominium Association; or

5.3.9.7 file any voluntary petition under Title 11 of the United States Code, the Bankruptcy Code, or seek the protection of any other Federal or State bankruptcy or insolvency law or debtor relief statute or consenting to the institution or continuation of any involuntary bankruptcy proceeding or the admission in writing of the inability to pay debts generally as they become due, or make a general assignment for the benefit of creditors.

5.4 Unit Owners' Association. There shall be formed a leasehold condominium association having the name Georgetown Airport Condominium Community, Inc., a Texas non-profit corporation (the "**Association**"),which shall be the governing body for the Unit Owners and shall be operated to provide maintenance, repair, replacement, administration, operation and care of the Facility and the Leased Premises as provided for in the Act, this Lease Agreement, the Declaration, and the Unit Owners' Association Bylaws (the "**Bylaws**"). The initial Bylaws shall be the bylaws attached hereto as Exhibit C.

5.4.1 Each Unit Owner shall be a member of the Association so long as such owner is a Unit Owner, and the Association through its board of directors shall represent the Unit Owners in any proceedings, negotiations, settlements and agreements affecting all or part of the common elements. A Unit Owner's membership shall automatically terminate when such owner ceases to be a Unit Owner by the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, who shall at that time succeed to membership in the Association. The rights and obligations of ownership, and the transfer thereof, shall be governed by the provisions of this Lease Agreement, the Bylaws, and the Declaration.

5.4.2 Subject to Declarant's rights as set out in the Declaration and the Bylaws, each Unit Owner shall be entitled to one vote, which shall be indivisible even if the ownership of a·unit should be held by tenants in common, tenant by the entireties or other joint ownership.

5.4.3 The Association shall be responsible to and take all actions necessary to familiarize its Unit Owners and prospective Unit Owners with the contents of this Lease Agreement, including all Airport rules, regulations, and Minimum Standards. Moreover, the Association shall at all times during the term hereof maintain a sufficient number of copies of this Lease Agreement and all amendments thereto for distribution to the Unit Owners upon request.

5.4.4 The Association shall at all times during the term hereof maintain a complete, current and accurate registry of all sales, transfers and ownership of Units within the Facility. Such registry shall contain the following: (i) the name and address of each Unit Owner, the date of purchase of each Unit owned by the Unit Owner, and (ii) the identification of the general aviation aircraft stored in any Unit and the identification of the said unit in which such aircraft is stored. The aforementioned registry shall be open to inspection by Lessor and its authorized representatives at all reasonable times during business hours. In addition, the Association shall provide an updated copy of such registry along with the current status of all unit owner payment of assessments and rents to the City on a quarterly basis through the term of the Lease.

5.5 The Declaration, Bylaws, and any general rules and regulations established by the Association shall be consistent with all terms and provisions of this Lease Agreement, and any amendments hereto, and shall not be in direct or indirect conflict with any of the provisions hereof. In the event of any inconsistency or conflict among the provisions of this Lease Agreement, the Declaration, Bylaws, or General Rules and Regulations, the provisions of this Lease Agreement shall prevail in all respects.

## ARTICLE 6: SALE OF UNITS

6.1 Lessee or subsequent Unit Owners shall be authorized to sell individual ownership in individual Units subject to the covenants, restrictions, and limitations contained in this Lease Agreement and the Declaration. The Lessee or the Association shall provide a notice of transfer of a unit to the City within thirty (30) days of the date of the sale of the unit.

## ARTICLE 7: RENT

7.1 Lessee agrees to pay to the City during the Initial Term hereof an annual base rent of $0.40 per square foot for the assumed 93,218 square feet depicted in Exhibit A. Accordingly, initial monthly rent shall be $2,951.90 (the "**Base Rent**"). Lessee shall pay as additional rent an amount equal to $100.00 per leasehold condominium unit per month beginning on the first of the month following conveyance of a leasehold condominium unit to a unit owner ("**Additional Rent**"). If Lessee exercises any option to extend the term of this Agreement under Section 2.2, above, the Base Rent per square foot and Additional Rent per condominium unit for the first year of such Extended Term shall be the greater of (a) the rental determined under Section 7.3. below, as if the Initial Term had continued throughout such Extended Term, or (b) the then current market rates for hangar ground leases at comparable airports in central Texas. City shall appraise the property, using an appraiser experienced in Airport land/facility appraisals to determine the then

current market rate, and execute a Lease Extension Agreement, within ninety (90) days after Lessee's written notice of election is received by the City.

7.2 Lessee shall also send to Lessor, no later than the 20th day following each calendar quarter, statements reflecting each Unit Owner's payments of allocable rent and assessments made during the preceding calendar quarter.

7.3 Commencing on the January 1st next occurring after the date of this Agreement, and January 1st of each year thereafter during the remainder of the Initial Term, the Base Rent and Additional Rent shall be adjusted by multiplying the annual rent payable in the next preceding year by a fraction, the numerator of which shall be the C.P.I., as hereinafter defined, published for the previous month of December and the denominator of which shall be the C.P.I. published twelve (12) months prior to the month used as the numerator. In no event shall the annual rent be reduced from that payable in a previous year. If this Agreement is executed after January 1st, such C.P.I. increase for the calendar year in which this Agreement is executed shall be prorated. If Lessee elects to exercise its option for any Extended Term, and accordingly, the rental for the first year of such Extended Term has been set on the basis of current market rates, then the Base Rent and Additional Rent for any subsequent year of such Extended Term shall be adjusted in accordance with the C.P.I. formula set forth in this section above.

7.3.1 The term "C.P.I." as used herein shall mean the Consumer Price Index for U.S. city average, all items, Seasonally Adjusted: CUSR0000SA0 as published by the Bureau of Labor Statistics of the United States Department of Labor, 1982-84 base = 100. In the event the base year is changed, the C.P.I. shall be converted to the equivalent of the base year 1982-84 = 100. In the event the Bureau of Labor Statistics ceases to use the C.P.I., or this index, an equivalent or comparable economic index will be used.

7.4 The annual rent payable hereunder may be paid in advance in annual installments or shall be paid in equal monthly installments on the first day of each month in advance at such office as may be directed in writing by the City. Payments due to the City under this Agreement shall be paid without offset of any kind, and Lessee waives all common law and statutory rights of offset. In addition to any other remedies provided in this Agreement, if any rental, fee, charge, or other item of Additional Rent set forth in this Agreement is not paid to the City within fifteen (15) days of the date due, Lessee agrees to pay a late charge of 10% for each such late payment, and default interest shall accrue on such payment from thirty (30) days after the date the payment was due, at a rate of 12% per annum.

7.5 Lessee, as supplementary rent, shall complete construction of the Facility and related Improvements on the Leased Premises, in accordance with plans and specifications approved by the City.

7.6 Lessee, as supplementary rent, shall construct and maintain a paved aircraft ramp area on the Leased Premises (the "**Ramp**"). The Ramp must be designed and built to specifications, and for a minimum weight bearing capacity, established by the City, built to the full width of the Leased Premises, and to connect with adjacent taxiway, ramp and/or auto parking areas, in order that a continuous and safe pavement section results. It is the responsibility of Lessee to maintain the entire Ramp area, and all other pavement areas on the Leased Premises, in a safe

manner, and clean of debris, and free from unsafe conditions for taxiing aircraft and Airport users. Lessee grants to users of the Airport the right to use aircraft Ramp areas on the Leased Premises from time to time for passage of aircraft on and near the adjacent taxiway. The construction time and Default provisions of Article 8 shall be applicable to the Ramp described in this subsection.

7.7 Subject to the provisions of Article 14, below, Lessee, or its assigns, shall keep the Leased Premises and Improvements free and clear of any liens and encumbrances, except as contemplated by Article 14, below, or unless expressly approved in writing by the City, and shall indemnify, hold harmless and defend the City from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Lessee. If any lien is filed, Lessee shall do all acts necessary to discharge such lien within ten (10) days of filing, or if Lessee desires to contest any lien, then Lessee shall deposit with the City such security as the City shall reasonably demand to insure the payment of the lien claim. If Lessee shall fail to pay any lien claim when due or shall fail to deposit the security with the City, then the City shall have the right to expend all sums necessary to discharge the lien claim, and Lessee shall pay the City, as additional rental when the next rental payment is due, all sums expended by the City in discharging any lien, including reasonable attorneys' fees and costs, and interest at 12% per annum on the sums expended by the City from the date of expenditure to the date of payment by Lessee.

7.8 Lessee agrees to comply with the Airport Rules and Minimum Standards adopted by the City for the Airport, as they now exist or as they may hereafter be adopted or amended. Fees due under such Minimum Standards or pursuant to any license issued for commercial activities conducted in whole or part on the Leased Premises, may be collected by the City as additional rent under this Agreement, in addition to any other remedies available to the City.

7.9 The City agrees to waive the Security Deposit as additional security for Lessee's obligations to Lessor ("**Security Deposit**") on condition that Lessee timely pays the monthly rent and the Lessee is not in Default of this Agreement. Such Security Deposit shall be equal to one monthly installment of rent. If during this Agreement Lessee fails to pay rent when due or is in Default of any term or condition of this agreement, then Lessee must immediately post a Security Deposit with Lessor so that the Security Deposit being held by Lessor is equal to one monthly installment of rent. No interest shall be paid on the Security Deposit. Lessor shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. Any interest from the Security Deposit shall be retained by Lessor. The Security Deposit is not an advance payment of rent or a measure of liquidated damages in case of Default by Lessee. Upon the occurrence of any event of Default, Lessor may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the Security Deposit to the extent necessary to make good any arrearages of rent and any other damage, injury, expense or liability caused to Lessor by such event of Default, or to satisfy Lessee's other obligations hereunder. Following any such application of the Security Deposit, Lessee shall pay to Lessor, on demand, the amount so applied in order to fully restore the Security Deposit. If Lessee is not then in Default, and no condition exists, which, with the passage of time or both, would constitute a Default when this Agreement expires or terminates, except as otherwise provided for in this Agreement, Lessor will return any unused portion of the Security Deposit to Lessee within thirty (30) days after the last to occur of (i) the Expiration Date, (ii) payment of all rent and any damages, (iii) Lessee's surrender of the Leased Premises in accordance with this

Agreement, and (iv) Lessor's receipt of Lessee's forwarding address. Lessee's actual or attempted assignment, transfer, or encumbrance of the Security Deposit will not bind Lessor.

7.10 Holdover rent shall be due at the rate of 200% of the Base Rent then in effect.

## ARTICLE 8: CONSTRUCTION

8.1 Mandatory Construction. In consideration for the granting of this Lease for the term provided for above, Lessee agrees to construct at the Leased Premises a Facility with all necessary appurtenances and improvements reasonably necessary for that operation. Final plans and specifications must be submitted to the City no later than six (6) months after this Agreement's execution date. Construction upon the Leased Premises for the Facility shall be commenced within six (6) months of the execution date of this Lease and be completed within eighteen (18) months from the date of the commencement of construction. The Facility to be constructed shall be no less than thirty-six thousand (36,000) square feet. Construction must be completed within twenty-four (24) months this Agreement's execution date. City, at its sole option, may grant a longer period for completion of construction.

8.1.1 In the event the Lessee fails to submit plans, commence construction, or complete construction within the time frames set forth above, and no extension for completion has been approved by the City, this Lease shall immediately terminate.

8.2 Construction of Improvements. All improvements and alterations made by Lessee on the premises are subject to approval by the City, in writing, prior to construction to determine that such construction is in accordance with all applicable local, state, and federal laws, including the City's building standards under the Unified Development Code, Building Codes, or Electrical Code, and the uses and purposes contemplated by the Lease Agreement, and that the same will not constitute a fire or safety hazard or interference in the use of the remainder of the Georgetown Municipal Airport.

8.3 Plans and Specifications.

8.3.1 Plans and specifications for each of the Improvements and all repairs (other than emergency repairs), construction, alterations, modifications, additions or replacements to the Improvements, including those made to any paving upon the Leased Premises, excluding non-structural repairs, construction, alterations, modifications, additions or replacements costing less than ten thousand dollars ($10,000.00), shall be submitted to the City for approval (the "**Plans and Specifications**").

8.3.2 Submittal of the above-described Plans and Specifications shall also include a site plan, drainage plan, and building plan for the initial project development that shall be reviewed pursuant to the City's standard review process as provided in the Unified Development Code.

8.3.2.1 The site plan shall show the location of all Improvements on the Leased Premises, including the Facility, pavements, utilities and location of the hangars on the site.

8.3.2.2 The drainage plan must show how drainage will be handled and be approved by the City prior to a building permit being issued by the City.

8.3.3 Lessee shall reimburse the City for all costs incurred for providing a legal survey and legal description of the Leased Premises and for a proportional share of any costs to bring road access and utilities to the Leased Premises, should the City agree to do so.

8.3.4 Before commencement of any construction of the Improvements, Lessee shall have the Leased Premises staked by a certified surveying company to ensure all Improvements are placed accurately on the Leased Premises.

8.3.5 Within ninety (90) days of the certificate of occupancy being received, Lessee shall submit to the City a full set of as-built record drawings of the Improvements, sealed by a licensed architect or engineer, which among other things, depicts exact locations of all Improvements, including utilities, made on and/or off of the Leased Premises. Failure to submit such sealed plans shall constitute grounds for denial of access to the Leased Premises.

8.4 Alterations/Improvements to Premises. Lessee covenants and agrees that it will make no structural alterations, material changes or additions in or to the Premises without the prior written consent of the City. Such alterations or changes as are approved by the City shall be made at Lessee's expense. Except as provided herein, all permanent improvements and fixtures installed by Lessee shall become the property of the City in accordance with the terms and provisions of Article 33, unless otherwise agreed in writing. All fixtures, counters, and equipment installed by Lessee and removable without structural injury to the premises, may be removed by Lessee at the expiration of this Lease, provided Lessee is not then in default with respect to any of its obligations hereunder, and provided further that Lessee shall repair any damage done to the Premises in removing said fixtures, counters, and equipment and shall remain responsible for any such damage.

## ARTICLE 9: ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

9.1 Lessee acknowledges that it has inspected the Leased Premises, conducted such studies and tests thereof (including environmental tests) as it deems necessary, and accepts possession of the Leased Premises "as is" in its present condition, and, subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration, the rules and regulations of the Airport, and by ordinances of the City, and admits its suitability and sufficiency. Except as may otherwise be provided for herein, the City shall not be required to maintain nor to make any improvements, repairs or restoration upon or to the Leased Premises or to any of the improvements presently located thereon or placed thereon by Lessee.

9.2 Lessee shall, throughout the term of this Agreement, assume the entire responsibility, cost, and expense for all repair and maintenance whatsoever on the Leased Premises and all Improvements thereon, and shall perform in a good workmanlike manner all necessary repairs, maintenance, whether ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:

9.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all Improvements thereon and all of Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises. Lessee shall not park or leave, or allow to be parked, aircraft on the taxiways, Ramps or pavement adjacent to the Facility or any hangar in a manner which unduly interferes with or obstructs access to other hangars or movement on adjacent taxiways.

9.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.

9.2.3 Take measures to prevent erosion, including without limitation the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon. Lessee shall maintain and replant any landscaped areas.

9.2.4 Be responsible for the maintenance and repair of all utility services lines placed on the Leased Premises and used by Lessee exclusively, including without limitation water lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.

9.2.5 If Lessee discovers any Hazardous Material (as hereinafter defined) on the Leased Premises, it will promptly notify the City in writing.

9.2.6 If extraordinary repairs or maintenance to the Improvements are required during the last five years of the Initial Term or any Extended Term of this Agreement, Lessee may elect not to repair and/or maintain the Improvements, by giving the City written notice of its election. In such case, City shall have the option of requiring Lessee to either (a) clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; or (b) transfer title to the Improvements to the City, as is. Upon Lessee's election and compliance with this section, the City shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

9.2.7 Five years from the end date of the Initial Term, Lessee shall provide the City with a certified inspection to ensure the Leased Premises is in has been repaired and maintained in accordance with this Article. Additionally, during the last five years of the Initial Term or during the last twenty-four (24) months of any Extended Term, the City shall have the right to conduct periodic detailed inspections of the Leased Premises not more often than twice per year. If any maintenance deficiencies are discovered, the City may require Lessee to correct such deficiencies, whether ordinary or capital in nature. Capital items having a useful estimated life beyond the date on which Lessee actually vacates the Leased Premises shall be reimbursed by the City to the Lessee on an equitably pro-rated basis.

## ARTICLE 10: ADDITIONAL OBLIGATIONS OF LESSEE

10.1 Lessee shall conduct its operations in an orderly and proper manner, considering the nature of such operations, so as not to unreasonably annoy, disturb, endanger or offend others.

10.2 Further, Lessee shall take all reasonable measures:

10.2.1 To reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings, but this provision shall not be interpreted to preclude rotary wing operations.

10.2.2 Not to produce or allow to be produced on the Airport, through the operation of machinery or equipment, any electrical, electronic or other disturbances that interfere with the operation by the City or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

10.3 Lessee shall comply with all federal, state and municipal laws, ordinances, rules, regulations and requirements, the Airport's Minimum Standards, Airport security rules and regulations, and other Airport Rules and regulations, as they now exist or may hereafter be amended or promulgated. In particular, Lessee shall comply with Chapter 13.20 of the City Code of Ordinances and with other applicable federal and state laws and permits pertaining to stormwater management.

10.4 Lessee shall commit no nuisance, waste or injury on the Leased Premises, and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises.

10.5 Lessee shall neither do nor permit anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

10.6 Lessee shall take measures to insure security in compliance with Federal Aviation Administration Regulations and the Airport Security Plan, as they now exist or may hereafter be amended or promulgated.

10.7 Lessee shall neither do nor permit any act or thing which will invalidate or conflict with any fire insurance policies or regulations applicable to the Leased Premises or other contiguous premises at the Airport.

10.8 Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to the general public, unless all required development approvals and permits for that activity are first obtained from the City.

10.9 Except for uses permitted under Article 4 hereof to be performed by Lessee, Lessee shall not provide or allow to be provided aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises, for commercial purposes, without all required development approvals, and a License from the City if and as required by the Airport's Minimum Standards or Rules then in effect.

10.10 Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof, and any other noise, to a minimum, by such

methods as are practicable, considering the extent and type of the operations of Lessee and the limitations of federal law. In addition, Lessee will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of their operations, but in no event less than those devices required by federal, state or local law. In its use of the Leased Premises, Lessee shall take all possible care, exercise caution, and use commercially reasonable efforts to minimize prop or jet blast interference and prevent jet blast damage to aircraft operating on taxiways and to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises. If the City determines that Lessee has not curbed the prop or jet blast interference or damage, Lessee covenants to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the City as to type, manner and method of construction.

10.11 Following the completion of construction of the Facility, Lessee shall not store nor permit the storage of disabled aircraft or any equipment or materials outside of the Facility constructed on the Leased Premises, without the written approval of the City. No aircraft that is unairworthy may remain outside of a hangar. If Lessee fails to comply with this requirement after a written request by Lessor to comply, Lessor may (but is not required to) cause the removal of any such aircraft at Lessee's expense by any means that Lessor determines, in its sole discretion, to be in Lessor's best interests.

10.12 On forms and at the frequency prescribed by the Airport Manager, and with respect to each aircraft stored on the Leased Premises, Lessee shall provide the City with the (a) make and model, (b) N-number, and (c) identity and address of the registered owner. This requirement shall apply to aircraft whether owned by Lessee or another party, and regardless of whether its storage is subject to the Minimum Standards or Rules.

10.13 Permits and Licenses. Lessee shall obtain and maintain in current status all permits and licenses required under any law or regulation. If Lessee receives notice from any governmental entity that Lessee lacks, or is in violation of, any such permit or license, Lessee shall provide City with timely written notice of the same.

10.14 Taxes and Liens. Lessee shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operations at the Leased Premises or the Airport, and all other obligations for which a lien may be created thereto (including, but not limited to, utility charges and work for any improvements).

10.15 Damage to Property and Notice of Harm. In addition to Lessee's indemnification obligations set forth in this Agreement, Lessee, at Lessee's sole cost, shall repair or replace (to Lessor's reasonable satisfaction) any damaged property that belongs to Lessor or Lessor's other tenants to the extent that such damage arises from or relates to an act or omission of Lessee or Lessee's Associates. Lessee shall promptly notify Lessor of any such property damage. If Lessee discovers any other potential claims or losses that may affect Lessor, Lessee shall promptly notify Lessor of the same.

10.16 Security. Lessee shall comply with all security measures that Lessor, the United States Transportation Security Administration, or any other governmental entity having

jurisdiction may require in connection with the Airport, including any access credential requirements, any decision to remove Lessee's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Lessee or Lessee's Associates. Lessee agrees that Airport access credentials are the property of Lessor and may be suspended or revoked by Lessor in its sole discretion at any time. Lessee shall pay all fees associated with such credentials, and Lessee shall immediately report to the Airport Manager any lost credentials or credentials that Lessee removes from any employee or any of Lessee's Associates. Lessee shall protect and preserve security at the Airport.

10.17 Removal of Disabled Aircraft. When consistent with Laws and Regulations, Lessee shall promptly remove or cause to be removed from any portion of the Airport not leased by Lessee the aircraft or any other aircraft that Lessee owns or controls if it becomes unairworthy. Lessee may store such aircraft within Lessee's enclosed improvements.

## ARTICLE 11: INGRESS AND EGRESS

11.1 Lessee shall have the right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee shall have the right to use the public runways and public aviation aids at all times during which they are open to the public. Such rights of ingress, egress and use shall be in common with others having rights of use and passage thereon.

11.1.1 If, at the time of entering into this Agreement, access to the Leased Premises is not available on existing taxiways and/or roadways, then such taxiways and/or roadways necessary for Lessee's use and occupancy shall be constructed at the sole expense of Lessee, in accordance with construction specifications and design criteria approved by the City for the uses contemplated by Lessee. There shall be no consideration made on the part of the City for the cost of these improvements. Upon completion of construction, Lessee shall certify that the taxiways and/or roadways so constructed have been built to such specifications and criteria, and those portions of any such taxiways and/or roads located off the Leased Premises shall be conveyed and dedicated to the City, which shall accept them for maintenance. Upon such conveyance and dedication, Lessee shall warrant that the same shall be free of defects in materials and workmanship for a period of not less than two years after the date of such conveyance and dedication. Such warranty shall be backed by a warranty bond or another form of security instrument, satisfactory to the City in its sole discretion, in the amount of not less than 15% of the construction cost of the improvements warranted.

11.2 The use of any such roadways or taxiways shall be subject to the Rules and Minimum Standards of the Airport, which are now in effect or which may hereafter be promulgated, and subject to temporary closure; provided, however, that any closure shall be only for reasonably necessary or unique circumstances, and provided that fourteen (14) days prior written notice will be given to Lessee relevant to any closure, unless such closure is necessary due to emergency. Lessee, for itself and its authorized subtenants, hereby releases and discharges the City, their officers, employees and agents, and all their respective successors and assigns, of and from any and all claims, demands, or causes of action which Lessee or its authorized subtenants may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out

of the closing of any street, roadway or other area, provided that other reasonable means of access to the Leased Premises remain available to Lessee without cost to Lessee, unless otherwise mandated by emergency safety considerations or lawful exercise of the police power. Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways on the Airport.

## ARTICLE 12: CASUALTY INSURANCE AND DAMAGE TO THE LEASED PREMISES

12.1 Lessee, at its sole cost and expense, shall procure and maintain throughout the term of this Agreement insurance protection for all risk coverage on the Improvements which are part of the Leased Premises, to the extent of one hundred percent (100%) of the actual replacement cost thereof. Such insurance shall be written by insurers acceptable to the City. The insurance shall provide for thirty (30) days notice of cancellation or material change, by certified mail, return receipt requested, to the City, Attention: Airport Manager. Also, the insurer must email a copy of proof of insurance to airport@georgetowntexas.gov.

12.1.1 The above-stated property insurance shall be for the benefit and to safeguard the interests of the Lessee and City, which shall at all times be named a co-insured.

12.1.2 If any losses are estimated to exceed one-third of the current value of the Leased Premises, Lessor shall adjust and settle such losses with the insurers. Lessee shall consult with the City and use its best efforts to obtain a settlement that covers the cost of repairing or rebuilding the Improvements.

12.1.3 Lessee shall provide certificates of insurance, in a form acceptable to the City and marked "premium paid," evidencing existence of all insurance required to be maintained prior to occupancy of the Improvements. Upon the failure of Lessee to maintain such insurance as above provided, the City, at its option, may obtain such insurance (which may be single-interest) and charge the cost to Lessee as Additional Rent, which shall be payable on demand, or may give notice of Default hereunder pursuant to Article 18 hereof.

12.2 If the Improvements and any subsequent improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed to the extent that they are unusable by Lessee for the purposes for which they were used prior to such damage, or same are destroyed, Lessee shall promptly repair and reconstruct the Improvements substantially as they were immediately prior to such casualty or in a new or modified design, subject to the provisions of Article 5 hereof and applicable building codes and Airport design standards, if any, existing at the time of repairing or rebuilding. If the aforesaid damage or destruction occurs in the last five years of the Initial term or any option term of this Agreement, Lessee may elect not to repair and reconstruct the Improvements, subject to the following terms and conditions:

12.2.1 Lessee shall give the City written notice of its election not to repair and reconstruct the Improvements within ninety (90) days of the date upon which the Improvements were damaged or destroyed. In such case, and City shall have the option of either:

12.2.1.1 Requiring Lessee to clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to

commencement of construction; in which case Lessee shall retain all insurance proceeds above those necessary to fund such site restoration; or

12.2.1.2 Taking title to the damaged Improvements, as is, in which case Lessee shall assign to and the City shall retain all insurance coverage and proceeds.

12.2.3 Upon Lessee's notice under Section 12.2.1 hereof and Lessee's compliance with the provisions of Sections 12.2.1.1 or 12.2.1.2 hereof, the City shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

12.3 Lessee shall not violate, or permit to be violated, any of the conditions of any of the said policies; and shall perform and satisfy, or cause to be satisfied, the requirements of the companies writing such policies.

## ARTICLE 13: LIABILITIES AND INDEMNITIES

13.1 **THE CITY SHALL NOT IN ANY WAY BE LIABLE FOR ANY COST, LIABILITY, DAMAGE OR INJURY, INCLUDING COST OF SUIT AND EXPENSES OF LEGAL SERVICES, CLAIMED OR RECOVERED BY ANY PERSON OR ENTITY, OR OCCURRING ON THE LEASED PREMISES, OR THE AIRPORT, OR AS A RESULT OF ANY OPERATIONS, WORKS, ACTS OR OMISSIONS PERFORMED ON THE LEASED PREMISES, OR THE AIRPORT, BY LESSEE, ITS AGENTS, SERVANTS, EMPLOYEES OR AUTHORIZED TENANTS, OR THEIR GUESTS OR INVITEES. LESSEE SHALL NOT IN ANY WAY BE LIABLE FOR ANY COST, LIABILITY, DAMAGE OR INJURY, INCLUDING COST OF SUIT AND EXPENSES OF LEGAL SERVICES, CLAIMED OR RECOVERED BY ANY PERSON OR ENTITY, OR OCCURRING ON THE LEASED PREMISES, OR THE AIRPORT, OR AS A RESULT OF ANY OPERATIONS, WORKS, ACTS, OR OMISSION PERFORMED ON THE LEASED PREMISES, OR THE AIRPORT, SOLELY BY THE CITY, THEIR AGENTS, SERVANTS, EMPLOYEES OR AUTHORIZED TENANTS, OR THEIR GUESTS OR INVITEES. IN THIS REGARD, LESSEE EXPRESSLY RELEASES THE CITY AND EACH OF ITS AGENTS FROM THEIR OWN NEGLIGENCE, GROSS NEGLIGENCE, OR OTHER LIABILITY.**

13.2 **LESSEE AGREES TO INDEMNIFY, SAVE AND HOLD HARMLESS, THE CITY, THEIR OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, OF AND FROM ANY AND ALL COSTS, LIABILITY, DAMAGE AND EXPENSE, INCLUDING COSTS OF SUIT AND REASONABLE EXPENSES OF LEGAL SERVICES, CLAIMED OR RECOVERED, JUSTLY OR UNJUSTLY, FALSELY, FRAUDULENTLY OR FRIVOLOUSLY, BY ANY PERSON, FIRM OR CORPORATION BY REASON OF INJURY TO, OR DEATH OF, ANY PERSON OR PERSONS, INCLUDING CITY PERSONNEL, AND DAMAGE TO, DESTRUCTION OR LOSS OF USE OF ANY PROPERTY, INCLUDING CITY PROPERTY, DIRECTLY OR INDIRECTLY ARISING FROM, OR RESULTING FROM, ANY OPERATIONS, WORKS, ACTS OR OMISSIONS OF LESSEE, ITS AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, OR AUTHORIZED TENANTS. UPON THE FILING WITH THE CITY BY ANYONE OF A CLAIM FOR DAMAGES ARISING OUT OF INCIDENTS FOR WHICH LESSEE**

**HEREIN AGREES TO INDEMNIFY AND HOLD THE CITY HARMLESS, THE CITY SHALL NOTIFY LESSEE OF SUCH CLAIM AND IN THE EVENT THAT LESSEE DOES NOT SETTLE OR COMPROMISE SUCH CLAIM, THEN LESSEE SHALL UNDERTAKE THE LEGAL DEFENSE OF SUCH CLAIM ON BEHALF OF LESSEE AND THE CITY. IT IS SPECIFICALLY AGREED, HOWEVER, THAT THE CITY AT ITS OWN COST AND EXPENSE, MAY PARTICIPATE IN THE LEGAL DEFENSE OF ANY SUCH CLAIM. ANY FINAL JUDGMENT RENDERED AGAINST THE CITY FOR ANY CAUSE FOR WHICH LESSEE IS LIABLE HEREUNDER SHALL BE CONCLUSIVE AGAINST LESSEE AS TO LIABILITY AND AMOUNT UPON THE EXPIRATION OF THE TIME FOR APPEAL.**

13.3 Lessee shall procure and keep in force during the term of this Agreement policies of Comprehensive General Liability or Hangarkeeper's insurance insuring Lessee and the City, as co-insureds, against any liability for personal injury, bodily injury, death, or property damage arising out of the subject of this Agreement, with a combined single limit of at least three million dollars. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after thirty (30) days prior written notice to the City. The policies shall be for the mutual and joint benefit and protection of Lessee and the City, and such policies shall contain a provision that the City, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of Lessee (i.e. a fellow-insured write-back endorsement). Lessee shall provide certificates of insurance, in a form acceptable to the City and marked "premium paid" evidencing existence of all insurance required to be maintained prior to the commencement of the Agreement.

13.4 Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any way connected with this Agreement. Lessee agrees to save and hold the City, their officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Lessee under or in any way connected with this Agreement.

## ARTICLE 14: LEASEHOLD MORTGAGES

14.1 If Lessee shall execute a Leasehold Mortgage (as defined in Section 14.2) of its leasehold estate to an entity which is not directly or indirectly owned or controlled by, or is not under common ownership or control with Lessee (collectively, an "**Unaffiliated Entity**" hereafter), and if the holder of such Leasehold Mortgage shall provide the City with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, then following receipt of such notice by the City, the provisions of this Article 14 shall apply in respect to such Leasehold Mortgage.

14.2 The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred, to

secure a debt or other obligation, in connection with the construction contemplated by Article 4 above.

14.3 The City, upon providing Lessee any notice of Default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section 14.1, above. Such Leasehold Mortgagee shall have the additional periods of time specified in Sections 14.4 hereof to remedy, commence remedying, or cause to be remedied the Default or acts or omissions which are specified in any such notice. The City shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee.

14.4 Anything contained in this Agreement to the contrary notwithstanding, if any Default shall occur which entitles the City to terminate this Agreement, the City shall have no right to terminate this Agreement unless, following the expiration of the period of time given Lessee to cure such Default or the act or omission which gave rise to such Default, the Leasehold Mortgagee is given an additional period of thirty (30) days to:

14.4.1 Notify the City of such Leasehold Mortgagee's desire to defeat such Termination Notice; and

14.4.2 Pay or cause to be paid all rent, additional rent, and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such thirty (30) day period; and

14.4.3 Promptly commence and diligently cure all non-monetary Defaults, but in no event shall the time for such cure exceed ninety (90) days from the date of notice from the City.

14.5 The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Facility and Improvements on the Leased Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace, or reconstruct the building or other improvements.

14.6 Landlord Liens. Lessee hereby gives and grants to City a lien upon, and pledges as collateral to City in case of Default, all personal property owned by Lessee now or hereafter to be placed, installed or stored by Lessee at the Airport. Lessee agrees that in the event of any failure on the part of Lessee to comply with each and every one of the covenants and obligations hereof,

or in the event of any Default continuing for twenty (20) days of any specified nature, after notification to Lessee by City in writing, City may take possession of and sell the same in any manner provided by law and may credit the net proceeds upon any indebtedness due or damage sustained by City, without prejudice to further claims thereafter to arise under the terms hereof. Any Leasehold Mortgage shall be subordinate to this contractual Landlord Lien and any statutory lien arising under the Texas Property Code, but shall be superior to the extent of such liens against any structures and fixtures on the Leased Premises.

## ARTICLE 15: RULES AND REGULATIONS

15.1 Lessee acknowledges that the City has adopted Rules with respect to the occupancy and use of the Airport, and such Rules may be amended, supplemented or re-enacted from time to time by the City provided that such Rules apply generally to all similar occupants and users on the Airport. There are also Minimum Standards that cover commercial business activities that may impact the Lessee. Lessee agrees to observe and obey any and all such Rules and all other federal, state and municipal rules, regulations and laws and to require its officers, agents, employees, subtenants, contractors, and suppliers, to observe and obey the same. In the event of a conflict between the provisions of Airport Rules and this Agreement, the more stringent provisions shall control. This provision will include compliance with any Airport Noise Abatement Plan that may hereafter be adopted. The City reserves the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws.

## ARTICLE 16: SIGNS

16.1 Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations. The subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to the Airport design standards, if any. No sign will be allowed that may be confusing to aircraft pilots or automobile drivers or other traffic.

## ARTICLE 17: ASSIGNMENT AND SUBLEASE

17.1 The prior written consent of the City shall be required for any sale, transfer, assignment or sublease of this Agreement and of the leasehold estate hereby created, except as to leasehold condominium units as contemplated on **Exhibit B** attached hereto. Consent may be withheld by the City if (a) Lessee is in Default of any of the terms or conditions of this Agreement, (b) the transferee or assignee does not deliver to the City its written agreement to be bound by all of the provisions of this Agreement in a form satisfactory to the City, or (c) the transferee or assignee does not submit proof of insurance as required at Articles 12 and 13. Lessee shall be permitted to subdivide or fractionalize either its ownership of the Improvements or leasehold interest in the Leased Premises in accordance with the terms set forth in **Exhibit B** attached hereto and the deed. Further, the creation of the condominium regime and the conveyance of condominium units to owners or the granting of deeds of trusts to unit mortgagees shall not require the consent of the City. Any management agreement or other contract that purports to transfer the substantive economic or legal risks and benefits to a third party shall be deemed a de facto assignment and shall be subject to the restrictions set forth in this Article 17.

## ARTICLE 18: CONDEMNATION

18.1 If all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of appropriation, condemnation or eminent domain (or pursuant to a sale to such power or authority under the threat of condemnation or eminent domain), all rentals payable hereunder with respect to that portion of the Leased Premises taken shall no longer be payable, and the proceeds, if any, from such taking or sale shall be allocated between the City and Lessee in accordance with the applicable condemnation law, with Lessee being entitled to compensation for the fair market value of the leasehold interest, Improvements and personal property taken. If a portion of the Leased Premises is so taken or sold, and as a result thereof, the remaining part cannot reasonably be used to continue the authorized uses set forth in Article 4 hereof, then this Agreement shall terminate at Lessee's election, and Lessee's obligation to pay rent and perform the other conditions of the lease shall be deemed to have ceased as of the date of such taking or sale.

18.2 The City expressly reserves the right to grant or take easements on rights-of-way across the Leased Premises if it is determined to be in the best interest of the City to do so. If the City grants or takes an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled only to compensation for damages to all Improvements owned by Lessee destroyed or physically damaged thereby, but not to damages for loss of use of the Leased Premises itself. Damages to improvements shall be determined by the reduction in fair market value of the Improvements caused by said damage or cost of repair, whichever is less.

18.3 Lessee understands and agrees that the City have the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the City, in their sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes, without initiating condemnation proceedings. If such action is taken, the City shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken, and shall compensate the Lessee for loss of use damages during any shutdown period. The City shall bear all expenses of bringing the substituted area to the same level of improvement to the area taken, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture or fixtures cannot be relocated, the City shall replace, at their own expense, such non-relocatable improvements and other property with comparable property in the substituted area, and the City shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, any mortgagee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee would be placed, to the extent possible, in the same position it would have been, had the City not substituted new premises for the Leased Premises; provided, however, that the City shall not be obligated to reimburse Lessee for lost revenues or other costs due to such substitution. In the event that such substitution of area is demanded by the City, Lessee shall have the right and option to terminate this Agreement, prior to the City commencing the substitution, upon thirty (30) days prior written notice to City, in which event the City shall pay Lessee the fair market value of all Improvements constructed on the Leased Premises pursuant to approval of the City. Nothing in this subparagraph shall be construed to limit the City's rights to condemn Lessee's leasehold rights and interests in the Leased Premises pursuant to state law.

## ARTICLE 19: NON-DISCRIMINATION

19.1 Lessee, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States government program or activity is extended, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

19.2 Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

19.2.1 No person on the grounds of race, color, disability or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

19.2.2 That in the construction of any Improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

19.2.3 That Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

19.3 In this connection, the City reserves the right to take whatever action they might be entitled by law to take in order to enforce this provision following the sixty (60) days' written notice to Lessee of any alleged violation. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the City to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the City, at their option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.

19.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting the City a right to take such action as the United States may direct to enforce such covenant.

## ARTICLE 20: GOVERNMENTAL REQUIREMENTS

20.1 Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over Lessee's operations at the Leased Premises which may be necessary for Lessee's operations on the Airport.

20.2 Lessee shall pay all taxes, license, certification, permits and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or gross income to Lessee therefrom, and shall make all applications, reports and returns required in connection therewith.

20.3 Lessee shall pay all water, sewer, utility and other applicable use taxes and fees, arising from its occupancy and use of the Leased Premises and/or the Improvements thereon.

20.4 If the City is ever required to pay any of the foregoing, or is not paid any of the foregoing, then the City may collect such sums as additional rent.

## ARTICLE 21: RIGHTS OF ENTRY RESERVED

21.1 The City, by its officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Leased Premises and enter the Improvements for all purposes not inconsistent with this Agreement, including without limitation inspection and environmental testing, provided such action by the City does not unreasonably interfere with Lessee's use, occupancy, or security requirements. Except when necessary for reasons of public safety or law enforcement, or for the protection of property, the City shall provide 72 hours' written notice of its intent to inspect.

21.2 Without limiting the generality of the foregoing, the City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own expense, to maintain existing and future Airport mechanical, electrical and other utility systems and to enter upon the easements in the Leased Premises to make such repairs, replacements or alterations as may be necessary or advisable, in the reasonable opinion of the City, and from time to time to construct or install over, in or under existing easements within the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises existing easements for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction, the City shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee, all such utilities to be placed within existing easements, except as provided in Article 18. Reservation of the aforesaid right by the City shall not impose or be construed to impose upon the City any obligation to repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises; provided, however, that if they repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services to others, the City will restore the Leased Premises to their preexisting condition in a timely manner. Lessee will provide for the installation, maintenance and repair, at its own expense, of all service

lines of utilities providing services only to the Leased Premises. City will repair, replace and maintain all other utility lines, at City's expense.

21.3 If any personal property of Lessee shall obstruct access of the City across the existing easements to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system pursuant to Section 21.2, Lessee shall move such property, as directed by the City or said utility company, upon reasonable notice by the City, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee shall fail to so move such property after direction from the City or said utility company to do so, the City or the utility company may move it, and Lessee waives any claim against the City for damages as a result therefrom, except for claims for damages arising from the City's negligence.

## ARTICLE 22: TERMINATION

22.1 Upon Default by Lessee in the payment of rent, additional rent, or other sums due under this Agreement, the City shall give written notice to Lessee and each holder of a Leasehold Mortgage for which the City has been given notice under Section 14.1, of such Default. If such Default has not been cured by the 30th day following notice of Default, the City may terminate this Agreement.

22.2 A Unit Owner's leasehold interest may not be terminated if the Unit Owner makes timely payment of the Unit Owner's share of the rent and otherwise complies with all covenants and conditions required by this Agreement.

22.3 A Unit Owner's leasehold interest is not affected by failure of any other person to pay rent or fulfill any other covenant.

22.4 Whenever Lessee receives from the City a notice of Default from the City and such Default is not cured within any applicable cure period, within 10 days after such cure period Lessee shall notify the City in writing which Unit Owners are responsible for such Default (the "**Owner Default Disclosure**"). The purpose of such Owner Default Disclosure is to enable the City to comply with Texas Property Code Section 82.056. If the City has not received an Owner Default Disclosure within 15 days after expiration of an applicable cure period, then it shall be presumed that all Unit Owners are responsible for the noticed default and the City may send notices and otherwise exercise its rights against all Unit owners.

22.5 This Agreement shall terminate, at the option of the City with prompt written notice to Lessee and holder of a Leasehold Mortgage, upon the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a court of competent jurisdiction. The term "trustee" shall not include a trustee appointed under Title 11 of the United States Code.

22.6 Upon the Default by Lessee in the performance of any covenant or condition required to be performed by Lessee other than the payment of money, and the failure of Lessee, and each holder of a Leasehold Mortgage to remedy such Default for a period of sixty (60) days after the City sends written notice to remedy the same, unless more extensive notice is otherwise provided for in this Agreement, the City may, by written notice of cancellation to Lessee, and each such holder of a Leasehold Mortgage, terminate this Agreement.

22.7 Subject to Article 14 above, upon termination of this Agreement for any reason, all rights of Lessee, authorized tenants, and any other person in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Except as may be expressly provided to the contrary elsewhere herein, upon termination of this Agreement for any reason, the Leased Premises and all Improvements located thereon, and all equipment, fixtures and other personal property therein, shall be and become the property of the City, free and clear of all encumbrances and all claims of Lessee, its subtenants, creditors, trustees, assigns and all others, and the City shall have immediate right of possession of the Leased Premises and such Improvements.

22.8 Failure by the City or Lessee to take any authorized action upon Default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not constitute a waiver of said Default nor of any subsequent breach or Default of any of the terms, covenants and conditions in this Agreement. Acceptance of rentals by the City from Lessee, or performance by the City under the terms hereof, for any period or periods after a Default by Lessee of any of the terms, covenants and conditions herein shall not be deemed a waiver or create an estoppel of any right of the City to terminate this Agreement for any subsequent failure by Lessee to so perform this Agreement.

22.9 If Lessee ceases to conduct its authorized Aeronautical Activities on the Leased Premises for a period of twelve (12) consecutive months, the City may terminate this Agreement by written notice to Lessee given at any time while such cessation continues, unless Lessee resumes such activities within sixty (60) days following receipt of written notice from the City of such intent to terminate this Agreement. An unauthorized sublease or assignment of Lessee's rights herein shall constitute a cessation of aeronautical activities.

## ARTICLE 23: SURRENDER AND RIGHT OF RE-ENTRY

23.1 Subject to Article 8.2 above, upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the City in the condition required by Article 33 below. Upon such expiration, cancellation or termination, the City may re-enter and repossess the Leased Premises together with all Improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the City's election.

23.2 If Lessee remains in possession of the Leased Premises after the expiration, cancellation or termination of this Agreement without written agreement with respect thereto, then Lessee shall be deemed to be occupying the Leased Premises as a tenant at-sufferance, subject to all of the conditions, provisions and obligations of this Agreement, but without any rights to extend the term of this Agreement. The City's acceptance of rent from Lessee in such event shall not alter the status of Lessee as a tenant-at-sufferance whose occupancy of the Leased Premises may be terminated by City at any time.

## ARTICLE 24: SERVICES TO LESSEE

24.1 Except in cases of emergency, in which case no notice shall be required, City will endeavor to give not less than fourteen (14) days prior written notice to Lessee of any anticipated temporary Airport closure, for maintenance, expansion or otherwise. Notwithstanding the above, the City shall not be deemed to be in breach of any provision of this Article 24 in the event of a permanent closure of the Airport. Provided, however, that if such permanent closure is in connection with the construction of a new airport by the City, Lessee shall have the option to enter into a substitute hangar ground lease agreement with the City, for the use of a portion of such new airport not smaller than the Leased Premises, under financial terms which are no less favorable than those set forth herein.

## ARTICLE 25: SURVIVAL OF THE OBLIGATIONS OF LESSEE

25.1 If this Agreement shall have been terminated due to Default by Lessee in accordance with notice of termination as provided in Article 22, all of the obligations of Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the City to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. The City may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of this Agreement.

25.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession) on account of Lessee's rental obligations shall be the sum of the following:

25.2.1 The amount of the total of all installments of rents, less the installments thereof payable prior to the effective date of termination; and

25.2.2 An amount equal to all expenses incurred by the City and not reimbursed in connection with regaining possession, restoring the Leased Premises required by Article 33, below, acquiring a new lease for the Leased Premises, legal expenses (including, but not limited to, attorneys' fees) and putting the Leased Premises in order.

25.3 There shall be credited to the account of Lessee against its survived obligations hereunder, the amount actually received from any lessee, licensee, permittee, or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, and the market value of the occupancy of such portion of the Leased Premises as the City may themselves during such period actually use and occupy. No such use and occupancy shall be, or be construed to be, an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of the City hereunder.

25.4 The provisions of this Article 25 shall not be applicable to the termination of this Agreement pursuant to Section 4.1.2 or Section 5.4.1, or if expressly provided to the contrary elsewhere in this Agreement.

## ARTICLE 26: USE SUBSEQUENT TO CANCELLATION OR TERMINATION

26.1 The City shall, upon termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the purposes of Lessee under this Agreement, without affecting, altering or diminishing the obligations of Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

## ARTICLE 27: NOTICES

27.1 Any notice, consent, approval or other communication given by either party to the other relating to this Agreement shall be in writing, and shall be delivered in person, sent by certified mail, return receipt requested, sent by reputable overnight courier, or sent by facsimile transmission (with evidence of such transmission received) to such other party at the respective addresses set forth below (or at such other address as may be designated from time to time by written notice given in the manner provided herein). Such notice shall, if hand delivered or personally served, be effective immediately upon receipt. If sent by certified mail, return receipt requested, such notice shall be deemed given on the third business day following deposit in the United States mail, postage prepaid and properly addressed; if delivered by overnight courier, notice shall be deemed effective on the first business day following deposit with such courier; and if delivered by facsimile, notice shall be deemed effective when received. Notice to the City is not effective unless sent concurrently to BOTH the City Attorney and the Airport Manager.

27.2 The notice addresses of the parties are as follows:

To the City:

Airport Manager
Georgetown Executive Airport at Johnny Gantt Field
500 Terminal Drive
Georgetown, Texas 78628
Telephone: 512-930-8464
City Attorney
City of Georgetown, Texas
510 W. 9th Street
Georgetown, Texas 78728
Telephone: 512-930-8165

To Lessee:

GTU Property Developer, LLC
Attn: Brian Birdwell
106 E. 8th Street, Suite 200
Georgetown, Texas 78726
Email: brian@vision360dev.com

## ARTICLE 28: INVALID PROVISIONS

28.1 The invalidity of any provisions, articles, paragraphs, portions or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable agreement. Furthermore, in lieu of such invalid

provisions, articles, paragraphs, portions or clauses, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such invalid provision as may be possible and be legal, valid and enforceable.

## ARTICLE 29: MISCELLANEOUS PROVISIONS

29.1 Remedies Nonexclusive. All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the City, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy provided that the City's remedies in the event of Default shall not exceed those set forth in this Agreement.

29.2 Individuals Not Liable. No director, officer, agent or employee of the City shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution thereof.

29.3 Estoppel Certificate. At the request of Lessee in connection with an approved assignment of its interest in this Agreement, the City shall execute and deliver a written statement identifying itself as the Lessor under this Agreement and certifying such facts as may actually be true. Lessee shall, as a condition precedent to the Lessor's certification review, pay to the City a $750 review fee to reimburse the City for its legal and administrative costs.

29.4 Recording of Lease. This Agreement shall be recorded by the City, and the costs of such recordation, and any closing costs associated with this Agreement, its execution and recordation, shall be billed to and paid by Lessee as additional rent.

29.5 General Provisions.

29.5.1 This Agreement shall be performable and enforceable in Williamson County, Texas, and shall be construed in accordance with the laws of the State of Texas. Exclusive jurisdiction and venue for all disputes between the parties shall lie in the state courts located within Williamson County, Texas. The parties waive the right to trial by jury. The prevailing party in any dispute arising under this Agreement shall recover its costs, all expenses, and attorney fees.

29.5.2 This Agreement is made for the sole and exclusive benefit of the City and Lessee, their successors and assigns, and is not made for the benefit of any third party.

29.5.3 All oral and written communications between agents of the parties preceding this Agreement are deemed to be merged and integrated into this document, and the parties disclaim reliance upon any such communications.

## ARTICLE 30: SUBORDINATION CLAUSES

30.1 This Agreement is subject and subordinate to the following:

30.1.1 The City reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf

of Lessee, provided Lessee is not deprived of the use or access to the Leased Premises or any of Lessee's rights under this Agreement and unless said activities by the City shall result in the loss of convenient access to the Leased Premises by motor vehicles and/or aircraft owned or operated by Lessee or Lessee's assigns, subtenants, renters, agents, employees or invitees.

30.1.2 The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

30.1.3 This Agreement is and shall be subordinate to the provision of existing and future agreements between the City and the United States or the State of Texas relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds, services, or property for the benefit of the Airport.

30.1.4 During national emergency, the City shall have the right to lease all or any part of the landing area or of the airport to the United States or Texas National Guard for military use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent with the provisions of such lease to the government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be reasonably determined by the City and Lessee in proportion to the degree of interference with Lessee's use of the Leased Premises.

30.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those reasonably necessary to Lessee's enjoyment of the Leased Premises and City's Airport facilities and which are consistent with Federal Aviation Administration rules, regulations and orders currently or subsequently effective. Further, Lessee's rights in airspace above the Leased Premises and the Airport and the Airport facilities shall be not less than the rights therein by other users of the Airport and Airport facilities.

## ARTICLE 31: QUIET ENJOYMENT

31.1 The City covenants and warrants that it is the owner of the Leased Premises and that Lessee upon payment of rentals herein provided for and performance of provisions on its part to be performed, shall and may peacefully possess and enjoy the Leased Premises during the term hereof and any extensions hereof without any interruption or disturbance.

## ARTICLE 32: ENTIRE AGREEMENT

32.1 This Agreement constitutes the entire agreement of the parties hereto and may be changed, modified, discharged or extended by written instrument duly executed by the City and Lessee. The parties agree that no representations or warranties shall be binding upon the City or Lessee unless expressed in writing.

## ARTICLE 33: RETURN CONDITION OF THE LEASED PREMISES

33.1 At the expiration or termination of the Agreement or any renewal term, Lessee shall surrender promptly the leased premises and all structures in the same condition as when received or constructed, ordinary wear and tear excepted, except to the extent caused by fire or Act of God for which the Lessor has been previously compensated.

## ARTICLE 34: HAZARDOUS MATERIALS

34.1 Definition. "Hazardous Materials" means: (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.) ("**RCRA**"), as amended from time to time, and regulations promulgated thereunder, (b) any "hazardous substance" being "released" in "reportable quantity" as such terms defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 6901 et seq.) ("**CERCLA**"), as amended from time to time, and regulations promulgated thereunder; (c) asbestos; (d) polychlorinated biphenyls; (e) urea formaldehyde insulation; (f) "hazardous chemicals" or "extremely hazardous substance," in quantities sufficient to require reporting, registration, notification or special treatment or handling under the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001, et seq.) ("**EPCRA**"), as amended from time to time and regulation promulgated thereunder; (g) any "hazardous chemicals" in levels that would result in exposures greater than those allowed by permissible exposure limits established pursuant to the Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.) ("**OSHA**"), as amended from time to time and regulations promulgated thereunder; (h) any substance which requires reporting, registration, notification, removal, abatement or special treatment, storage, handling or disposal under Section 6, 7 or 8 of the Toxic Substance Control Act (15 U.S.C. § 2601 et seq.) ("**TSCA**") as amended from time to time and regulations promulgated thereunder; (i) any toxic or hazardous chemicals described in the Occupational Safety and Health Standards (29 C.F.R. 1910.1000-1047) in levels which would result in exposures greater than those allowed by the permissible exposure limits pursuant to such regulations; (j) the contents of any storage tanks, whether above or below ground; (k) Bio-Hazardous Medical Waste (hereinafter defined); (l) materials related to those described in subparagraphs (a) though (k) hereof, and (m) anything defined as hazardous or toxic under any now existing or hereinafter enacted statute. The term "Bio-Hazardous Medical Waste" means any waste, substance or material (solid, liquid or gaseous) that is generated, produced or results from the diagnosis, treatment or immunization of human beings, or any research pertaining thereto, or the production or testing of biological agents. The term "Bio-Hazardous Medical Waste" also includes any definition thereof or referenced thereto in any law, rule, regulation, order or decree of any federal, state or local government including, without limitation, any substance defined or referred to in the Code of Federal Regulation at 29 C.F.R. Part 1910.1030.

34.2 Lessee shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Leased Premises or the Airport by Lessee or Lessee's Associates in violation of applicable federal, state, or local environmental laws, regulations, and ordinances ("**Environmental Laws**"). Lessee is responsible for any such violation as provided in this Agreement, and shall fully indemnify and hold harmless the City from all fees, fines, costs and damages related in any manner to any release of Hazardous Material or legal violation.

34.3 Lessee agrees that in the event of a release or threat of release of any Hazardous Material by Lessee at the Airport, Lessee shall provide Lessor with prompt notice of the same. Lessee shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If Lessor has reasonable cause to believe that any such release or threat of release has occurred, Lessor may request, in writing, that Lessee conduct reasonable testing and analysis (using qualified independent experts acceptable to Lessor) to show that Lessee is complying with applicable Environmental Laws. Lessor may conduct the same at Lessee's expense if Lessee fails to respond in a reasonable manner. Lessee shall cease any or all of Lessee's activities as Lessor determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Lessee violates any Environmental Laws at the Airport (whether due to the release of a Hazardous Material or otherwise), Lessee, at Lessee's expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to Lessor a written remediation plan, and Lessor reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with Lessor and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide to Lessor copies of all documents pertaining to any environmental concern that are not subject to Lessee's attorney-client privilege.

34.4 To the extent that Lessee is a co-permittee with Lessor in connection with any permit relating to the environment at the Airport, or to the extent that any of Lessee's operations in connection with this Agreement or otherwise may impact Lessor's compliance with any such permit, Lessee shall work cooperatively with Lessor and other tenants and take all actions necessary to ensure permit compliance, and minimize the cost of such compliance, for the benefit of Airport operations.

34.5 Upon any expiration or termination of this Agreement, and upon any change in possession of the Leased Premises authorized by Lessor, Lessee shall demonstrate to Lessor's reasonable satisfaction that Lessee has removed any Hazardous Materials and is in compliance with applicable Environmental Laws. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the Leased Premises. The obligations of this Article 31 shall survive any termination of this Agreement.

34.6 Significant Materials include, but are not limited to, raw materials; fuels; materials such as solvents detergents and plastic pellets; finished materials such as metallic products, raw materials used in food processing or production; hazardous substances designated under section 101(14) of CERCLA; any chemical the facility is required to report pursuant to section 313 of title III of SARA; fertilizers; pesticides; and waste products such as ashes, slag and sludge that have a potential to be released with storm water discharges. [See 40 C.F.R. 122.26(b)(12).]

34.7 Best Management Practices describes practices employed to prevent or reduce source water pollution, such as the construction of runoff-retention basins and replanting eroding surfaces.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**CITY OF GEORGETOWN, TEXAS**

_____
Josh Schroeder, Mayor

**ATTEST:**

_____
Robyn Densmore, City Secretary

**APPROVED AS TO FORM:**

_____
Skye Masson, City Attorney

**GTU Property Developer, LLC,**
a Texas limited liability company

By: _____
Brian Birdwell, Manager

**EXHIBIT A**
**DESCRIPTION OF PREMISES**

# EXHIBIT B
# CONDOMINIUM DECLARATION

# EXHIBIT C
# ASSOCIATION BYLAWS

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Texas Commission on the Arts Grant Application**

SUGGESTED ACTION:
Consideration and possible action to approve a grant application to the Texas Commission on the Arts for a Cultural District Project Grant to provide partial funding for public art in the third phase of the Light and Water Works District and designate authority to Amanda Still to submit the grant application -- Kim Mcauliffe, Director of Downtown and Tourism Director, and Amanda Still, Arts and Culture Program Manager

ITEM SUMMARY:
The Texas Commission on the Arts – Cultural District Project Grant supports projects that contribute to the development, enhancement, and promotion of TCA designated Cultural Districts. The Downtown and Tourism Department would like to apply for a Cultural District grant for the Downtown Georgetown Cultural District to help fund public art in the Light and Water Works District to include a mural screening wall for the utility equipment at the L&WW building and artistic lighting of the L&WW stack.

FINANCIAL IMPACT:
The total cost of the public art project is $204,050. The grant request is $ 102,025 with a match of $ 102,025 from a combination of sources including general fund, Downtown TIRZ, and an NEA grant.

SUBMITTED BY:
Shelly Sommerfeld, Economic Development plus

ATTACHMENTS:
Attachment_TCA Grant Application.pdf

# TCA Grant Guidelines

**A Guide to Programs & Services | Texas Online Arts Plan | Revised December 2022**

**Eligibility:** TCA Cultural Districts; VERIFIED College Arts Institution, Established Arts Organizations, Established Arts Organizations of Color, Government Local Arts Agencies, Local Arts Agencies, Rural Arts Providers located within a TCA Designated Cultural District

**Intent:** Projects that use the arts to diversify local economies, generate revenue, and attract visitors and investment.

This competitive grant program provides project assistance grants on a short-term basis and may include administrative costs directly related to the project.

This program is designed for projects that focus on significant cultural tourism projects. These projects should serve at least one of the following:

- High quality arts programming that will attract a significant number of visitors from 50 miles or more outside the community (i.e., blockbuster art exhibitions, national or regional premieres, major festivals)
- Enhancements to the cultural district to make it more accessible, attractive, cohesive-looking, and safe for visitors
- Improved signage and wayfinding for the district
- Promotion of the district; this may include the district's website, branding, and marketing
- Organizational support for the management and operations of the district (TCA Cultural District only)

**These grants may include capital improvements.**

**Grant Type:** Annual
**Application Limit:** Organizations may submit one application per deadline.
**Minimum Request:** $3,000
**Maximum Request:** 50% of project budget, not to exceed $250,000
**Match Requirement:** dollar for dollar (1:1)
**Application Deadline:** June 15 for projects beginning September 1 through Aug. 31
**Attachments Deadline:** June15

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**2nd Quarter Financial Report**

SUGGESTED ACTION:
Consideration and possible action to accept the City's Quarterly Financial Report, which includes the Investment Reports for the City of Georgetown, Georgetown Transportation Enhancement Corporations (GTEC), and the Georgetown Economic Development Corporation (GEDCO) for the quarter ended March 31, 2026 -- Randi Cormack, Budget Manager

ITEM SUMMARY:
The Quarterly Financial Report to Council can be found on ClearGov: https://city-georgetown-tx-cleardoc.cleargov.com/20808/796017/d. An executive summary is included to highlight variances with regards to the preliminary and unaudited revenues, expenses, and an overview of the investment portfolio as of March 31, 2026. For all major funds, the Financial Report shows a comparison of current year to date revenues and expenses compared to the budget, as well as compared to the same quarter in the prior year.

In general, all the City's major funds are in line with budget through the quarter.

The report also includes updates on capital projects, a summary of active grants and the list of Unfunded Liabilities.

The investment and strategies described in the investment report are in compliance with the City's Investment Policy and state law. This report meets the quarterly reporting requirements mandated by the Public Funds Investment Act.

FINANCIAL IMPACT:

SUBMITTED BY:
Shawn Gunnin, Finance/Purchasing

ATTACHMENTS:
FY2026 Q2 Presentation - City Council.pdf

# Quarterly Financial Report

# QUARTERLY FINANCIAL REPORT

## AGENDA

- Quarter Background
- General Fund
- Electric Fund
- Water Fund

# QUARTERLY FINANCIAL REPORT

## SECOND QUARTER BACKGROUND

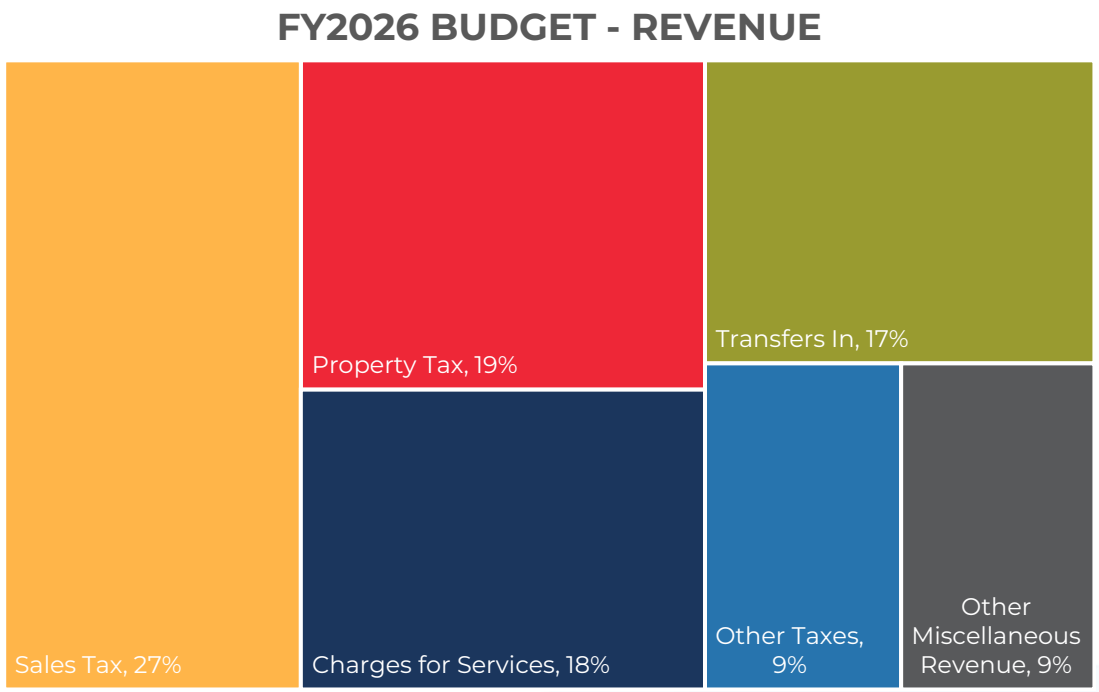
- Budget in this report reflects the CIP Roll Forward and Mid-Year Budget Amendment
- Year-over-year comparisons of FY2025 and FY2026
- Include Q2 actuals to budget comparisons
- Financials are preliminary and unaudited

# GENERAL FUND

QUARTERLY FINANCIAL REPORT

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND




- Revenue Budget Sources
  - The FY2026 revenue budget for the General Fund is $120.5 million
  - Sales Tax totals 27% of revenues
  - Property Tax totals 19% of revenues
  - Charges for Services total 18% of General Fund revenues
  - Transfers In to the General fund is 17% of budgeted revenues
    - PILOT from city owned utilities is 7% and franchise fees is 3% to match our Fiscal and Budgetary Policy

# QUARTERLY FINANCIAL REPORT

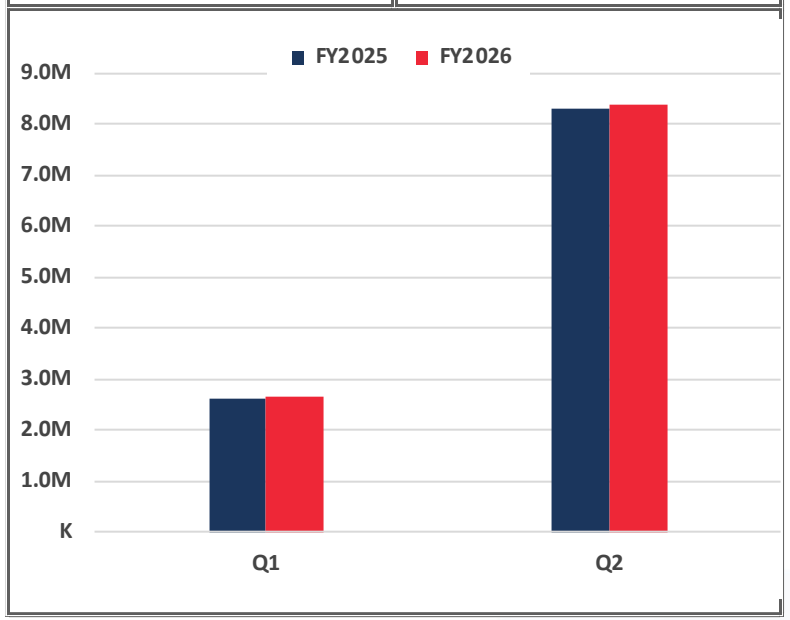
## GENERAL FUND

| General Fund | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Revenue** | | | | | | | |
| 40001:Property Taxes | 23,370,763 | 20,950,785 | 21,467,288 | (1,903,475) | 91.86% | 516,503 | 2.47% |
| 40002:Sales Taxes | 32,774,595 | 10,942,867 | 11,059,031 | (21,715,564) | 33.74% | 116,164 | 1.06% |
| 40005:Franchise Taxes | 10,468,575 | 3,724,578 | 5,369,767 | (5,098,808) | 51.29% | 1,645,190 | 44.17% |
| 40008:Other Taxes | 750,000 | 471,693 | 479,830 | (270,170) | 63.98% | 8,137 | 1.73% |
| 41001:Fines | 638,575 | 362,716 | 276,002 | (362,573) | 43.22% | (86,715) | -23.91% |
| 42001:Interest Income | 1,782,000 | 977,976 | 701,934 | (1,080,066) | 39.39% | (276,043) | -28.23% |
| 43001:Fees | 12,554,266 | 5,426,159 | 5,286,596 | (7,267,670) | 42.11% | (139,562) | -2.57% |
| 43003:Permits | 4,825,000 | 2,395,937 | 2,220,817 | (2,604,183) | 46.03% | (175,120) | -7.31% |
| 43004:Administrative Charges | 3,860,492 | 1,113,226 | 1,930,245 | (1,930,247) | 50.00% | 817,020 | 73.39% |
| 43005:Rental Revenue | 58,846 | 34,468 | 38,266 | (20,580) | 65.03% | 3,798 | 11.02% |
| 45001:Misc Revenue | 413,371 | 117,901 | 172,556 | (240,815) | 41.74% | 54,655 | 46.36% |
| 45002:Insurance Proceeds | - | - | - | - | 0.00% | - | 0.00% |
| 45003:Misc Reimbursements | 6,180 | 4,375 | 26,955 | 20,775 | 436.17% | 22,580 | 516.15% |
| 45004:Sale of Property | - | 3,561 | 7,757 | 7,757 | 0.00% | 4,197 | 117.86% |
| 44001:Grant Revenue | - | 57,568 | 108,647 | 108,647 | 0.00% | 51,079 | 88.73% |
| 44501:Contribution Revenue | - | - | 1,009 | 1,009 | 0.00% | 1,009 | 0.00% |
| 44502:Developer Contributions | 400,000 | 607,303 | 1,001,404 | 601,404 | 250.35% | 394,101 | 64.89% |
| 44503:Interlocal Agreement Revenue | 7,833,534 | 2,955,829 | 3,615,801 | (4,217,733) | 46.16% | 659,973 | 22.33% |
| 44504:Donations | - | 835 | 1,214 | 1,214 | 0.00% | 379 | 45.38% |
| 44505:Sponsorship | 3,000 | - | - | (3,000) | 0.00% | - | 0.00% |
| 70001:Transfers In | 1,466,584 | 2,342,455 | 1,053,282 | (413,302) | 71.82% | (1,289,173) | -55.04% |
| 70002:Transfers In - Payment in Lieu of Ta | 19,253,673 | 7,077,105 | 8,733,408 | (10,520,264) | 45.36% | 1,656,303 | 23.40% |
| **Revenue Total** | **120,459,454** | **59,567,335** | **63,551,811** | **(56,907,643)** | **52.76%** | **3,984,475** | **6.69%** |

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| SALES TAX | |
|---|---|
| 1.06% | 11,059,031 |

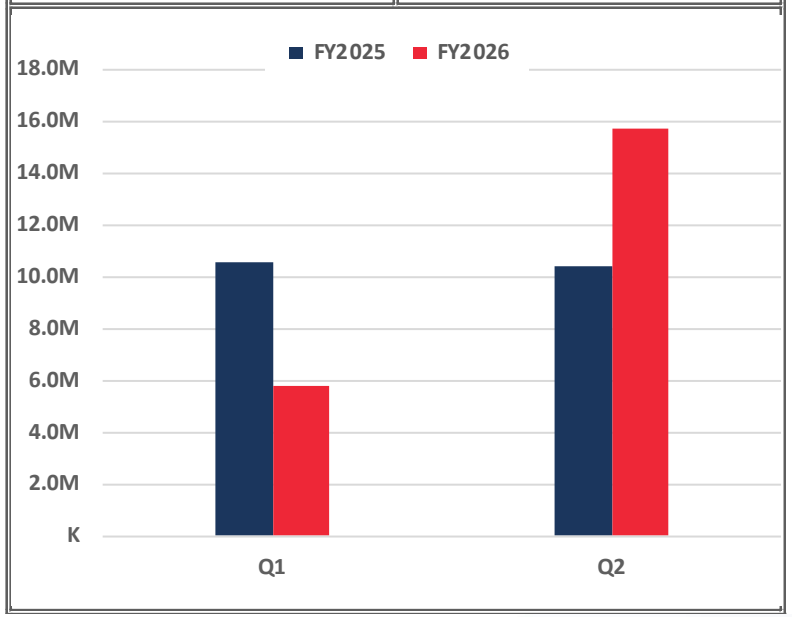



- Sales Tax
  - 27% of budgeted General Fund revenue
  - Sales tax revenue is up 1.06% compared to the same period of FY2025
  - Staff are monitoring sales tax revenues closely

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| PROPERTY TAX | |
|---|---|
| 2.47% | 21,467,288 |

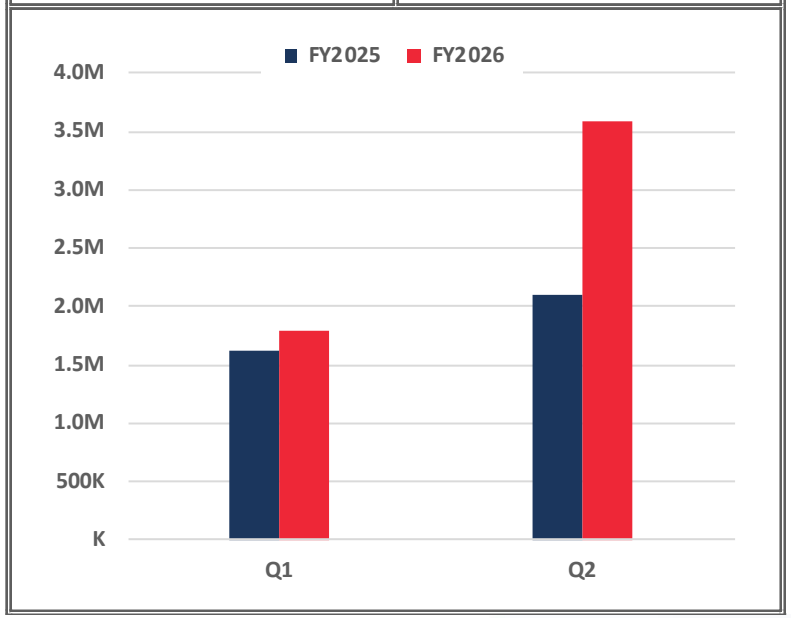



- Property Tax
  - 19% of budgeted General Fund revenue
  - Property tax revenue is up 2.47% compared to the same period of FY2025
    - Timing of payment from third-party vendor that submits property tax payments on behalf of mortgage lenders

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| FRANCHISE FEES | |
|---|---|
| 44.17% | 5,369,767 |

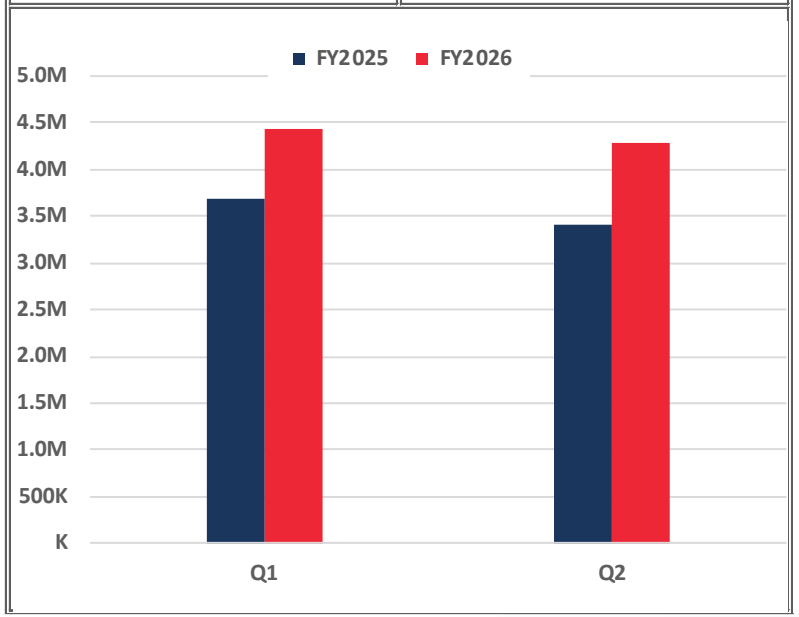



- Franchise Fees
  - 8.7% of budgeted General Fund revenue
  - $5.4 million or 51.3% of franchise fees budget received through the quarter
  - Franchise fees revenue is up 44.2% compared to the same period of FY2025
    - Electric
    - Water
    - Garbage
    - Gas
      - In FY25 Franchise – Gas was received in July

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

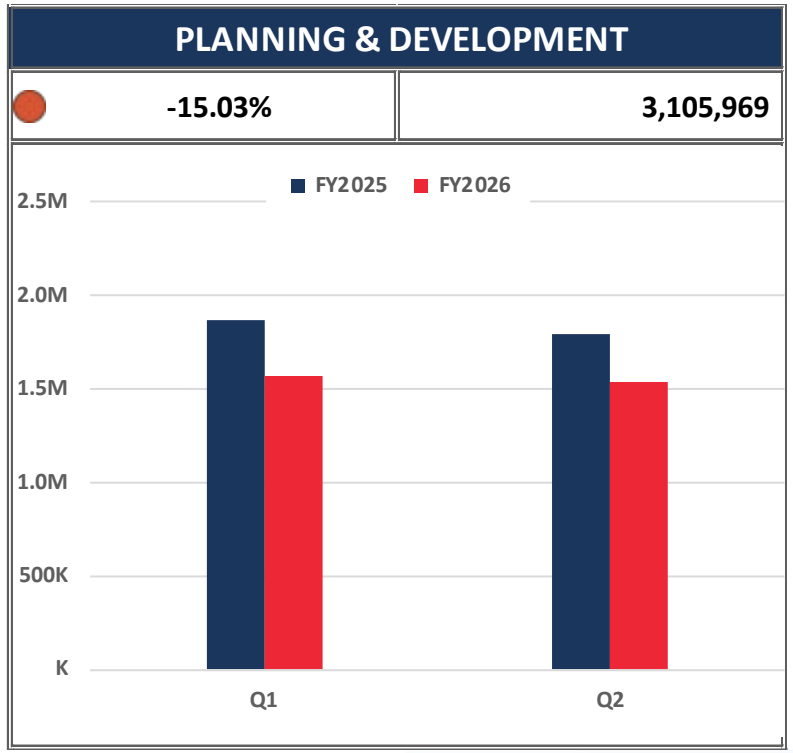
| PILOT | |
|---|---|
| 23.40% | 8,733,408 |




- PILOT
  - 16% of budgeted General Fund revenue
  - $8.7 million or 45% of PILOT budget received through the quarter
  - PILOT revenue is up 23.4% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

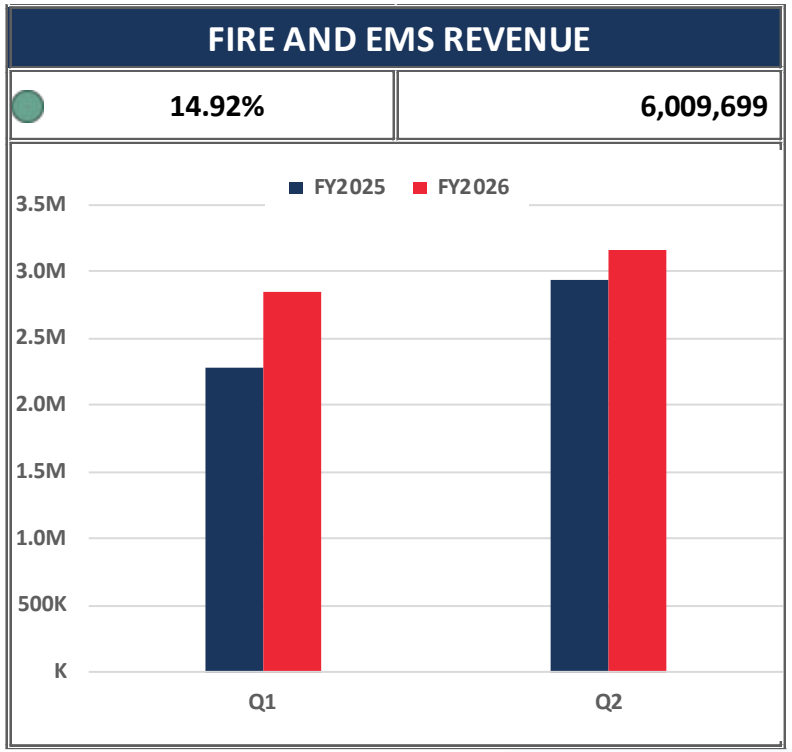
## GENERAL FUND




- Planning & Development Revenue
  - 6.1% of budgeted General Fund revenue
  - $3.1 million or 42% of planning and development budget received through the quarter
  - Planning and development revenue is down 15% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

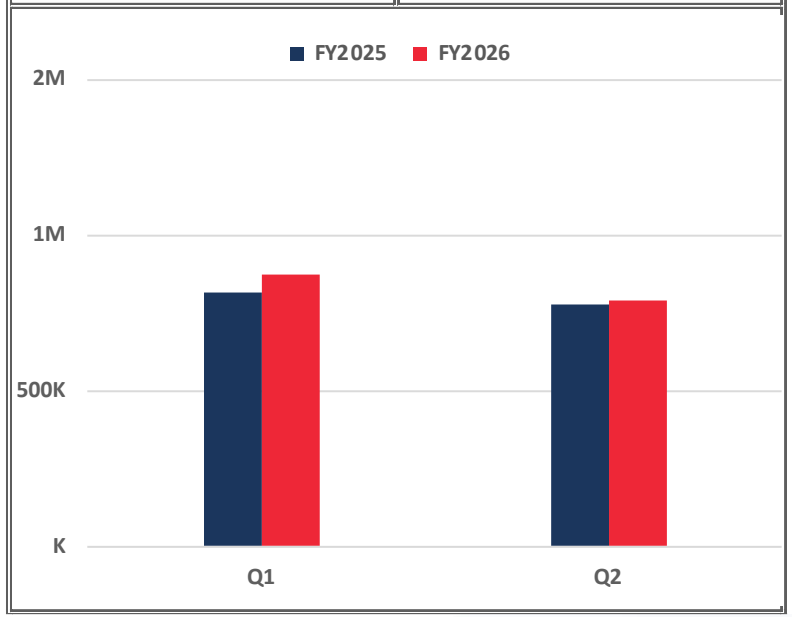



- Fire and EMS Revenue
  - 10.2% of budgeted General Fund revenue
  - $6 million or 48.7% of fire and EMS revenue budget received through the quarter
  - Fire and EMS revenue is up 14.9% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

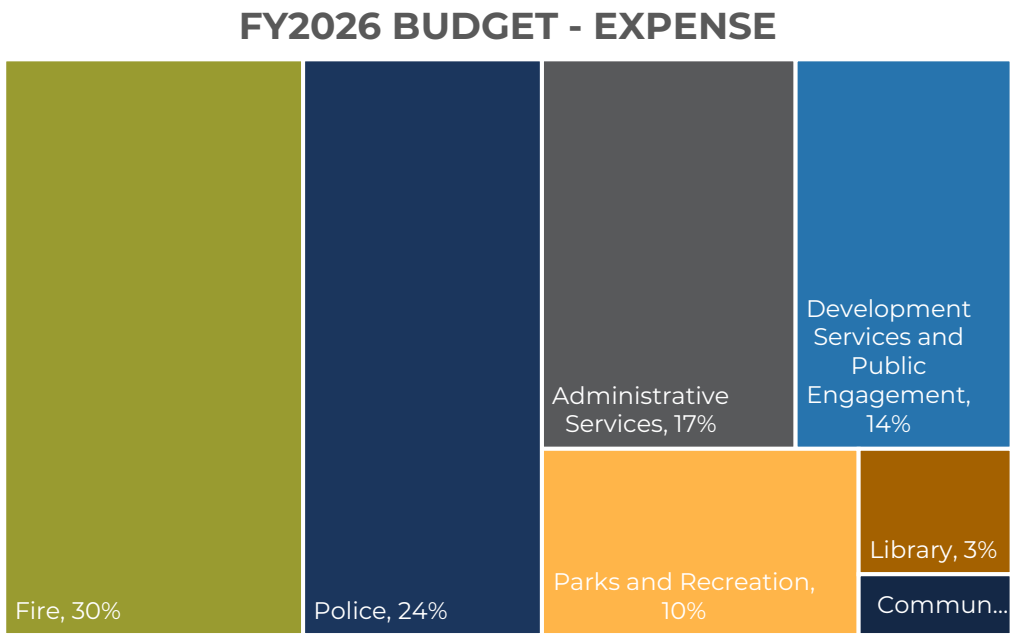
| PARKS & RECREATION | |
|---|---|
| 4.66% | 1,667,705 |




- Parks & Recreation
  - 3.6% of budgeted General Fund revenue
  - $1.7 million or 39% of Parks and Recreation fees budget received through the quarter
  - Parks and Recreation fees revenue is up 4.7% compared to the same period of FY2025.

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND




- Expense Budget Sources
  - The FY2026 expense budget for the General Fund is $126.4 million
  - 54% of the General Fund budgeted expense is for public safety. This includes $37.5 million for Fire and $29.9 million for Police Operations
  - Public Works is 6%, or $7.7 million
    - Public Works
    - Streets
    - Transportation Planning
  - Parks and Recreation totals 10%

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

| General Fund | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % Of Budget | Variance | % Variance |
| **Expense** | | | | | | | |
| Personnel | 74,741,369 | 33,691,554 | 37,228,217 | 37,513,152 | 49.81% | (3,536,664) | 10.50% |
| Operations | 46,175,014 | 23,336,699 | 23,780,742 | 22,394,273 | 51.50% | (444,043) | 1.90% |
| Operating Capital | 820,443 | 350,089 | 402,769 | 417,674 | 49.09% | (52,680) | 15.05% |
| Transfers | 4,634,705 | 2,563,750 | 2,720,340 | 1,914,365 | 58.69% | (156,590) | 6.11% |
| **Total Expense** | **126,371,532** | **59,942,092** | **64,132,069** | **62,239,463** | **50.75%** | **(4,189,977)** | **6.99%** |

# QUARTERLY FINANCIAL REPORT

## GENERAL FUND

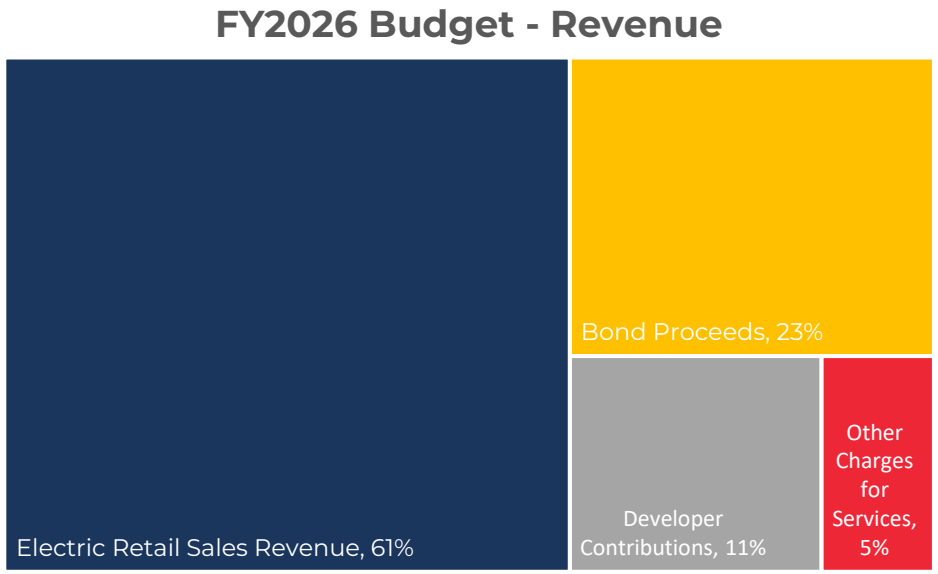
- Personnel
  - 59.1% of budgeted General Fund expenses
  - $37.2 million, or 49.8% personnel expense through the quarter
  - Personnel is up 10.5% compared to the same period of FY2025
- Operations
  - 36.5% of budgeted General Fund expenses
  - $23.8 million, or 51.5% operations expense through the quarter
  - Operations is up 1.9% compared to the same period of FY2025
- Year-over-year increases expected because of additional base budget and newly funded requests in FY2026; both one-time and ongoing

# ELECTRIC FUND

QUARTERLY FINANCIAL REPORT

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND




- Revenue Budget Sources
  - The FY2026 revenue budget for the Electric Fund is $195.7 million
  - Electric Sales revenue makes up 61% of budgeted revenues
  - Bond Proceeds are 23% of budgeted revenues
  - Developer Contributions budgeted at 11% of total revenue

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

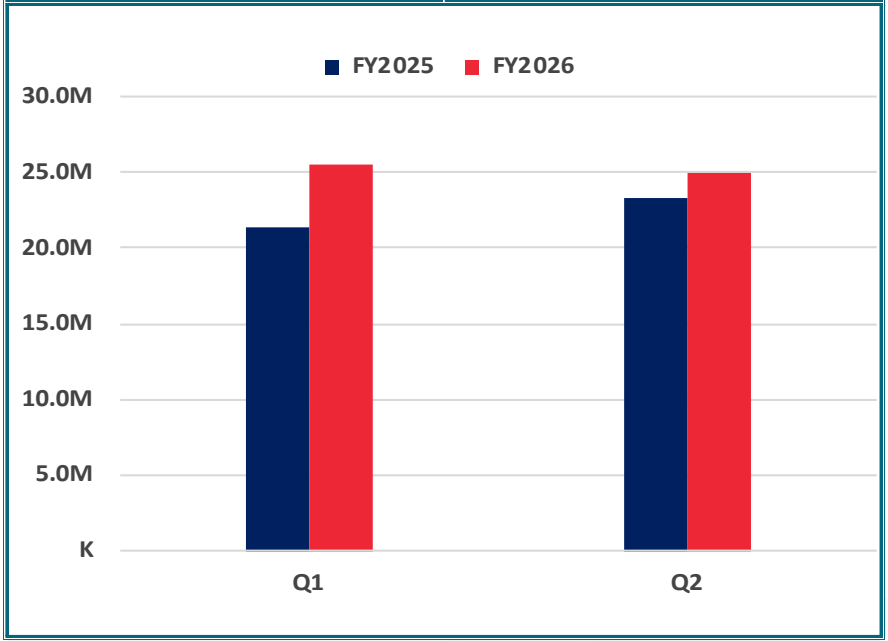
| Electric Services | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Revenue** | | | | | | | |
| 40002:Sales Taxes | 7,500 | 4,666 | 6,268 | (1,232) | 83.57% | 1,602 | 34.34% |
| 41002:Penalties | 887,250 | 476,019 | 441,616 | (445,634) | 49.77% | (34,404) | -7.23% |
| 42001:Interest Income | 3,428,250 | 1,441,843 | 1,559,184 | (1,869,066) | 45.48% | 117,341 | 8.14% |
| 43001:Fees | 4,680,755 | 1,628,110 | 1,571,622 | (3,109,133) | 33.58% | (56,487) | -3.47% |
| 43004:Administrative Charges | 899,883 | 1,618,424 | 449,942 | (449,942) | 50.00% | (1,168,482) | -72.20% |
| 43601:Electric Retail Sales Revenue | 119,081,461 | 44,707,700 | 50,494,701 | (68,586,760) | 42.40% | 5,787,002 | 12.94% |
| 44502:Developer Contributions | 22,253,969 | 7,765,643 | 19,389,093 | (2,864,876) | 87.13% | 11,623,450 | 149.68% |
| **Operating Revenue Total** | **151,239,068** | **57,642,404** | **73,912,426** | **(77,326,642)** | **48.87%** | **16,270,022** | **28.23%** |
| **Non-Operating Revenue** | | | | | | | |
| 45001:Misc Revenue | 2,991 | 2,685 | 27,624 | 24,633 | 923.57% | 24,939 | 928.95% |
| 45003:Misc Reimbursements | - | - | 1,388 | 1,388 | 0.00% | 1,388 | 0.00% |
| 45004:Sale of Property | 7,174 | 6,823 | 31,618 | 24,444 | 440.73% | 24,795 | 363.38% |
| 44001:Grant Revenue | - | - | (336,929) | (336,929) | 0.00% | (336,929) | 0.00% |
| 46001:Bond Proceeds | 44,540,225 | - | - | (44,540,225) | 0.00% | - | 0.00% |
| **Non-Operating Revenue Total** | **44,550,390** | **9,508** | **(276,299)** | **(44,826,689)** | **-0.62%** | **(285,807)** | **-3005.96%** |
| **Revenue Total** | **195,789,458** | **57,651,912** | **73,636,127** | **(122,153,331)** | **37.61%** | **15,984,215** | **27.73%** |

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

**ELECTRIC RETAIL SALES REVENUE**

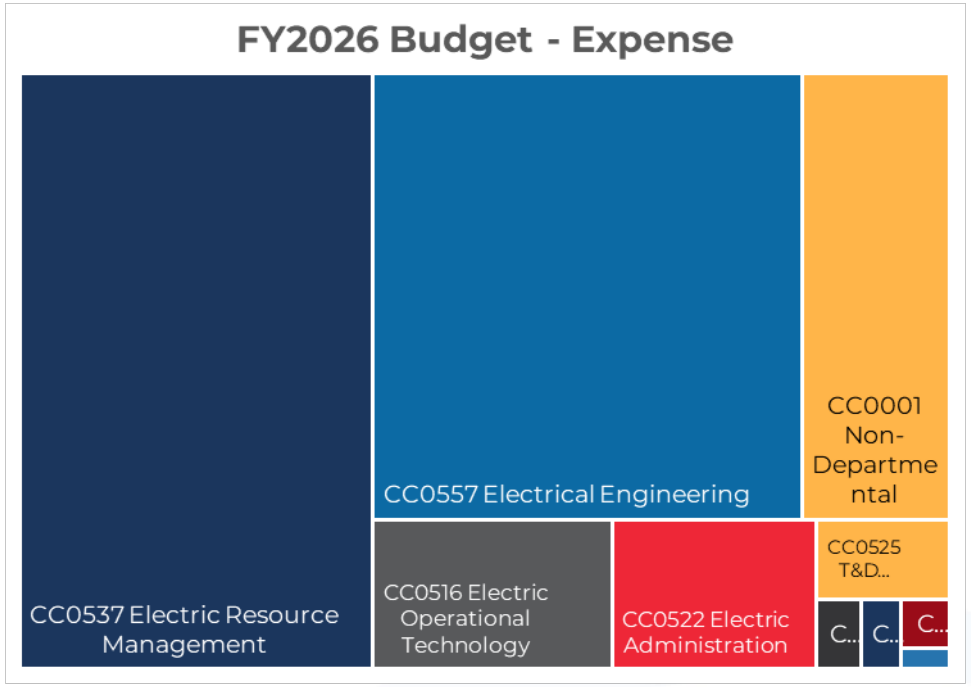
| | |
|---|---|
| 12.94% | 50,494,701 |




- Electric Sales Revenue
  - Represents 79% of budgeted Electric Fund operating revenue
  - $50.4 million, or 42.4% of electric sales revenue budget received through the quarter
  - Electric sales revenue is up 12.94% compared to the same period of FY2025

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND




- Expense Budget
  - The FY2026 expense budget for the Electric Fund is $214.2 million
  - 37% of budgeted expenses is from purchase power related expenses
  - Electrical Engineering is 34% of budget
    - CIP Expense
  - Non-departmental totals 11% of budget
    - PILOT
    - Debt Service
    - Transfers

# QUARTERLY FINANCIAL REPORT

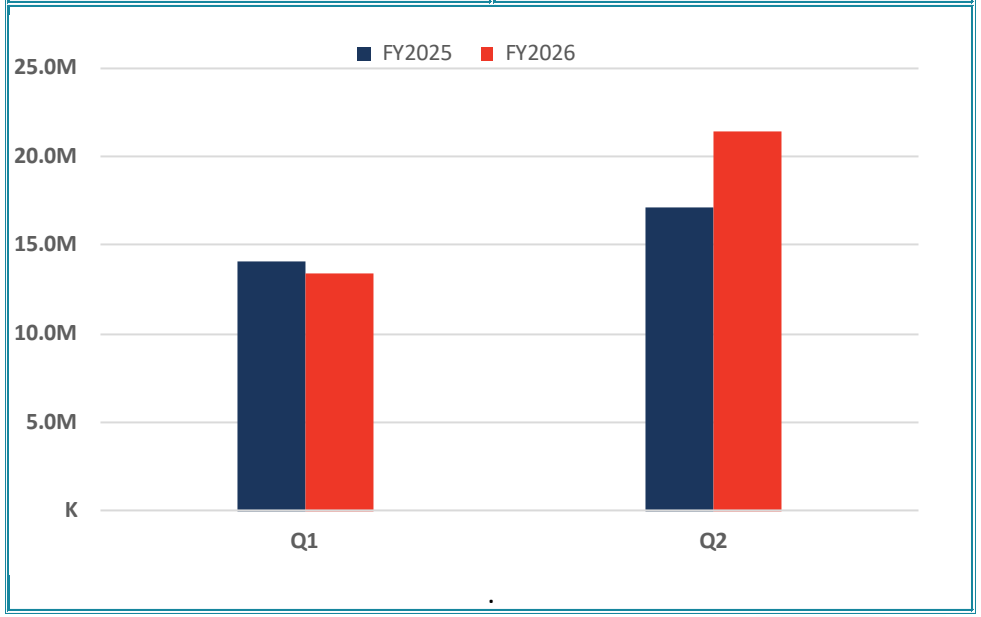
## ELECTRIC FUND

| Electric Services | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 600,000 | 318,426 | 208,463 | 391,537 | 34.74% | 109,963 | -34.53% |
| CC0516 Electric Operational Technology | 1,133,695 | 525,378 | 393,299 | 740,396 | 34.69% | 132,079 | -25.14% |
| CC0520 Customer Energy Solutions | 1,056,059 | 207,947 | 780,486 | 275,574 | 73.91% | (572,538) | 275.33% |
| CC0521 Operational Technology | 1,205,802 | 680,376 | 664,540 | 541,261 | 55.11% | 15,836 | -2.33% |
| CC0522 Electric Administration | 11,534,645 | 5,349,406 | 5,604,884 | 5,929,761 | 48.59% | (255,479) | 4.78% |
| CC0523 Electric Safety and Employee Development | 377,984 | 220,730 | 204,333 | 173,651 | 54.06% | 16,396 | -7.43% |
| CC0525 T&D Services | 3,961,838 | 4,073,944 | 2,570,119 | 1,391,719 | 64.87% | 1,503,825 | -36.91% |
| CC0534 Conservation | - | 381 | - | - | 0.00% | 381 | -100.00% |
| CC0537 Electric Resource Management | 81,380,981 | 32,136,655 | 35,390,984 | 45,989,997 | 43.49% | (3,254,329) | 10.13% |
| CC0555 Electric Systems Operations | 942,603 | 1,465,779 | 613,965 | 328,639 | 65.14% | 851,814 | -58.11% |
| CC0557 Electrical Engineering | 1,845,999 | 1,307,905 | 1,643,402 | 202,597 | 89.03% | (335,497) | 25.65% |
| **Operating Expense Total** | **104,039,606** | **46,048,141** | **50,023,962** | **54,015,644** | **48.08%** | **(3,975,820)** | **8.63%** |
| **Non-Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 25,012,088 | 5,179,526 | 7,749,335 | 17,262,753 | 30.98% | (2,569,810) | 49.61% |
| CC0516 Electric Operational Technology | 12,659,511 | 525,378 | 1,503,677 | 11,155,835 | 11.88% | (978,299) | 186.21% |
| CC0520 Customer Energy Solutions | - | | - | - | 0.00% | - | 0.00% |
| CC0521 Operational Technology | 4,825 | 55,000 | - | 4,825 | 0.00% | 55,000 | -100.00% |
| CC0522 Electric Administration | 212,020 | 132,150 | 93,205 | 118,815 | 43.96% | 38,945 | -29.47% |
| CC0525 T&D Services | 164,272 | 389,530 | 46,261 | 118,011 | 28.16% | 343,269 | -88.12% |
| CC0555 Electric Systems Operations | 4,100 | 63,750 | 4,100 | - | 100.00% | 59,650 | -93.57% |
| CC0557 Electrical Engineering | 72,166,138 | 9,871,078 | 20,445,293 | 51,720,845 | 28.33% | (10,574,215) | 107.12% |
| **Non-Operating Expense Total** | **110,222,954** | **15,938,534** | **29,841,872** | **80,381,083** | **27.07%** | **(13,903,338)** | **87.23%** |
| **Expense Total** | **214,262,560** | **61,986,675** | **79,865,833** | **134,396,727** | **37.27%** | **(17,879,158)** | **28.84%** |

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

| NET PURCHASED POWER | |
|---|---|
| 11.71% | 34,828,403 |




- Purchased Power
  - 69.6% of Electric Fund operating expenses through the quarter
  - $34.8 million, or 42.9% of purchase power expense budget through the quarter
  - Purchase power is up 11.71% compared to the same period of FY2025

# QUARTERLY FINANCIAL REPORT

ELECTRIC FUND

## Year-to-date Quarterly Net Purchase Power Comparison

- Q1: FY2025
  - Net Purchase Power Budget: $84,739,578
  - Purchased Power: $31,447,107
  - REC Sales: ($661,600)
  - CRR Credits: $390,850
  - Net Purchased Power: $31,176,358
  - % of Net Purchase Power Budget: 36.7%
- Q1: FY2026
  - Net Purchase Power Budget: $81,048,773
  - Purchased Power: $34,320,221
  - REC Sales: ($210,000)
  - CRR Credits: $718,182
  - Net Purchased Power: $34,828,403
  - % of Net Purchase Power Budget: 42.9%

# QUARTERLY FINANCIAL REPORT

## ELECTRIC FUND

- Slower than anticipated ramp-up of very large load customers is affecting Electric sales revenue and has an offset to purchase power expenses. Electric's budget was updated at the mid-year amendment to align with latest projections.
- Administrative Charges have decreased compared to the prior year due to the re-organization of the Water and Electric Operational Technology and the Water and Electric Control Center teams. The teams split into separate units for each utility.
- There was a 2% rate increase, and a higher revenue per MWH due to the rate ramping for VLC&I.
- CC0525 T&D Services and CC05557 Electrical Engineering
    - Capitalization of labor to CIP (Year-end entry)
    - Personnel expenses look inflated and capital expenses deflated. The year-end entry will reflect on the balances sheet but not on the budget schedule
- Meet all reserve requirements for FY2026

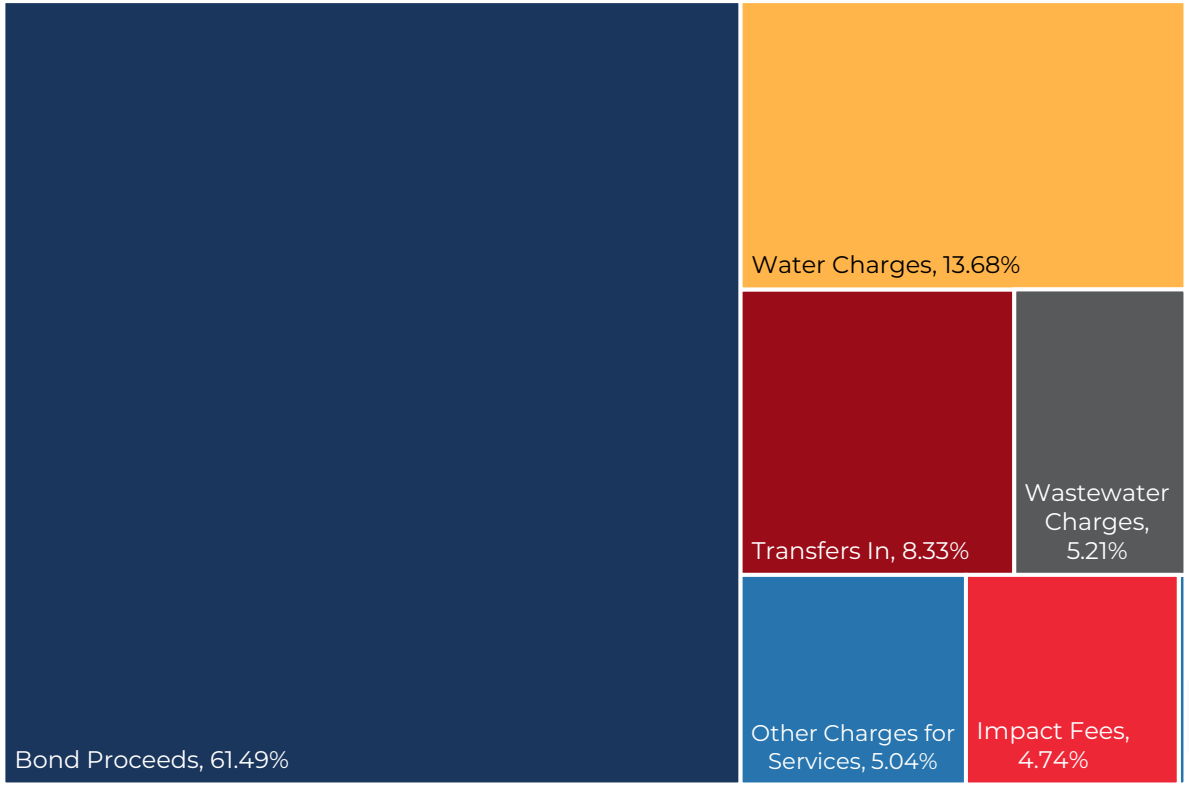
# WATER FUND

QUARTERLY FINANCIAL REPORT

# QUARTERLY FINANCIAL REPORT

## WATER FUND

FY2026 Budget - Revenue




- Revenue Budget Sources
  - The FY2026 revenue budget for the Water Fund is $732.7 million
  - 61.5% of budgeted revenues is from bond proceeds
    - Capital infrastructure for treatment and distribution
  - Water Charges
    - Water 13.7%
    - Wastewater 5.2%
    - Irrigation $1.1 million
  - Impact fees total 4.7% of budgeted revenues

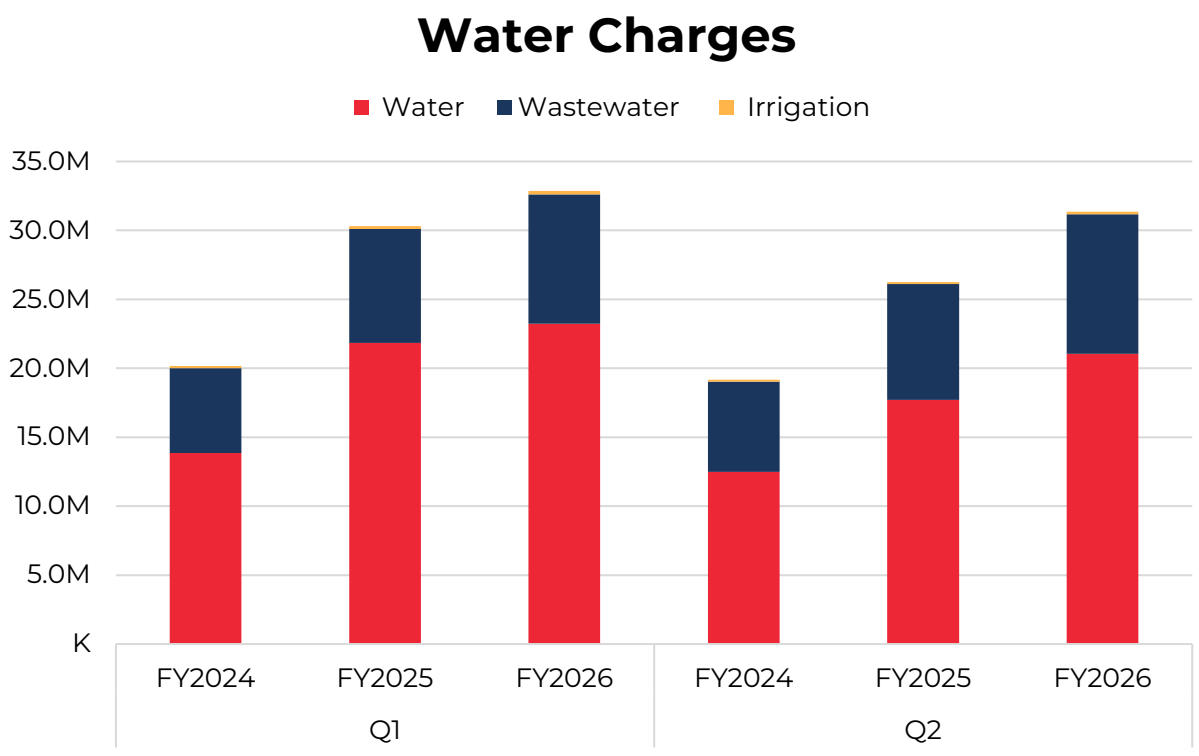
# QUARTERLY FINANCIAL REPORT

## WATER FUND

| Water | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Revenue** | | | | | | | |
| 41002:Penalties | 850,000 | 592,578 | 1,062,344 | 212,344 | 124.98% | 469,766 | 79.27% |
| 42001:Interest Income | 26,581,883 | 12,095,596 | 9,330,298 | (17,251,585) | 35.10% | (2,765,297) | -22.86% |
| 43001:Fees | 6,502,911 | 3,274,298 | 3,218,716 | (3,284,195) | 49.50% | (55,583) | -1.70% |
| 43005:Rental Revenue | 25,000 | 12,593 | 12,593 | (12,407) | 50.37% | - | 0.00% |
| 43602:Water Charges | 100,231,801 | 39,553,324 | 44,267,404 | (55,964,397) | 44.17% | 4,714,081 | 11.92% |
| 43603:Wastewater Charges | 38,172,490 | 16,666,536 | 19,502,427 | (18,670,063) | 51.09% | 2,835,890 | 17.02% |
| 43604:Irrigation Charges | 1,121,315 | 332,761 | 443,760 | (677,555) | 39.57% | 110,999 | 33.36% |
| 41602:Impact Fees | 34,730,106 | 23,954,820 | 18,323,619 | (16,406,487) | 52.76% | (5,631,201) | -23.51% |
| 44502:Developer Contributions | 535,000 | 74,956 | 133,850 | (401,150) | 25.02% | 58,894 | 78.57% |
| **Operating Revenue Total** | **208,750,506** | **96,557,462** | **96,295,010** | **(112,455,496)** | **46.13%** | **(262,452)** | **-0.27%** |
| **Non-Operating Revenue** | | | | | | | |
| 45001:Misc Revenue | 2,396,488 | 1,014,017 | 181,283 | (2,215,205) | 7.56% | (832,734) | -82.12% |
| 45002:Insurance Proceeds | - | 60,711 | - | - | 0.00% | (60,711) | -100.00% |
| 45003:Misc Reimbursements | - | - | 630,282 | 630,282 | 0.00% | 630,282 | 0.00% |
| 45004:Sale of Property | - | - | 38,700 | 38,700 | 0.00% | 38,700 | 0.00% |
| 44001:Grant Revenue | 10,000,000 | - | 2,896,547 | (7,103,453) | 28.97% | 2,896,547 | 0.00% |
| 70001:Transfers In | 61,000,000 | 1,234,065 | 4,867,013 | (56,132,987) | 7.98% | 3,632,947 | 294.39% |
| 46001:Bond Proceeds | 450,544,407 | - | - | (450,544,407) | 0.00% | - | 0.00% |
| **Non-Operating Revenue Total** | **523,940,895** | **2,308,793** | **8,613,824** | **(515,327,071)** | **1.64%** | **6,305,031** | **273.09%** |
| **Revenue Total** | **732,691,401** | **98,866,255** | **104,908,834** | **(627,782,567)** | **14.32%** | **6,042,579** | **6.11%** |

# QUARTERLY FINANCIAL REPORT

## WATER FUND




- Water Charges
  - Water charges through the quarter total $44.3 million
  - Up 11.9% compared to Q2 of FY2025
- Wastewater Charges
  - Wastewater charges through the quarter total $19.5 million
  - Up 17% compared to Q2 of FY2025
- Irrigation Charges
  - Irrigation charges through the quarter total $443.8 thousand
  - An increase of 33.4% compared to Q2 of FY2025

# QUARTERLY FINANCIAL REPORT

## WATER FUND

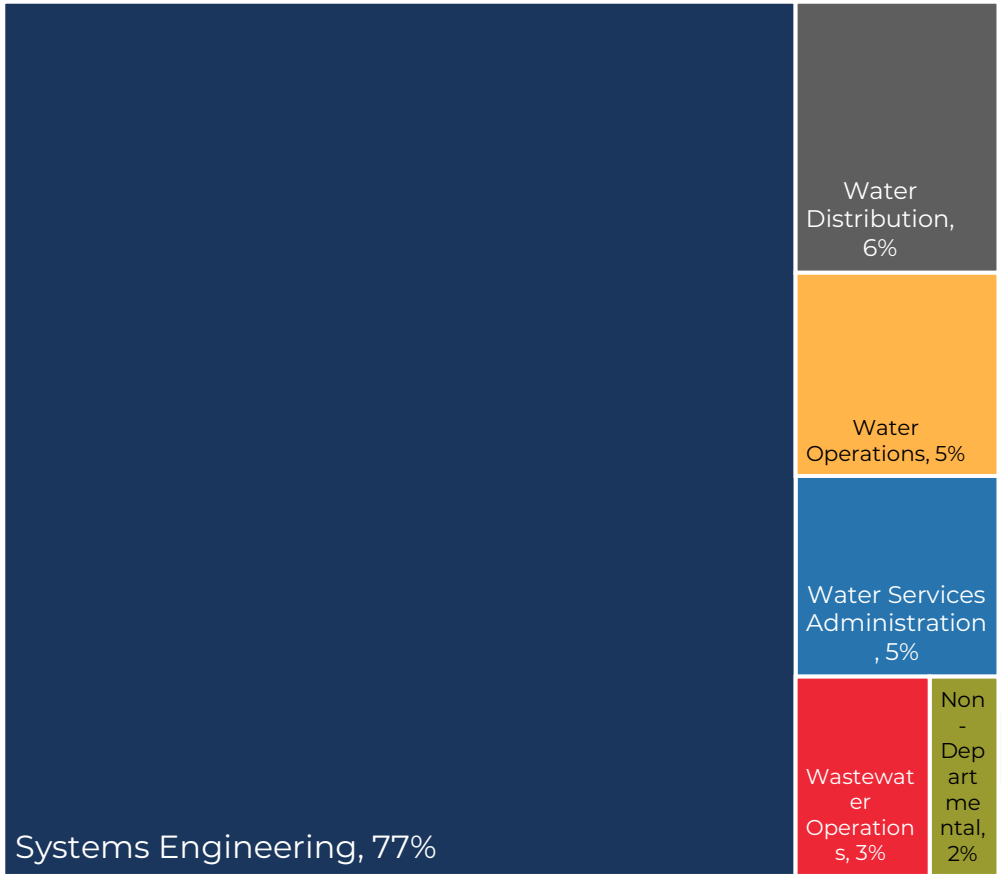
Impact Fee Revenues

- Water and wastewater impact fees are payments from developers to contribute towards capital infrastructure costs
- The fee revenue is used for both cash and debt service payments on eligible capital projects
- Water and wastewater impact fee revenue collection is lower in FY2026 compared to FY2025 largely due to timing of projects; and are conservatively modeled in cost of service and the 5-year forecast
- Staff keep the impact fees separate until they are reconciled at year-end and are ready to be used on active capital projects the following year
    - The fees are then transferred within the water fund mid-year
    - These are shown in the Transfers In revenue
    - There is a corresponding Transfers Out expense in the Water Distribution and Wastewater Operations cost centers

# QUARTERLY FINANCIAL REPORT

## WATER FUND

FY2026 Budget - Expense




- Expense Budget
  - The FY2025 expense budget for the Water Fund is $1.02 billion
  - 77% of budgeted expenses is from CIP Expense for various capital projects (includes roll forward)
  - Water Distribution 6%
  - Water Operations
    - Water 4.6%
    - Wastewater 3%

# QUARTERLY FINANCIAL REPORT

## WATER FUND

| Water Services Financial Report | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 625,000 | 311,070 | 171,543 | 453,457 | 27.45% | 139,527 | -44.85% |
| CC0514 Water Operational Technology | 1,845,139 | 280,016 | 774,610 | 1,070,529 | 41.98% | (494,595) | 176.63% |
| CC0524 Metering Services | 3,782,380 | 978,505 | 1,115,100 | 2,667,281 | 29.48% | (136,595) | 13.96% |
| CC0526 Systems Engineering | - | - | 2,073 | (2,073) | 0.00% | (2,073) | 0.00% |
| CC0527 Water Services Administration | 43,759,305 | 29,412,332 | 28,477,238 | 15,282,068 | 65.08% | 935,094 | -3.18% |
| CC0528 Water Distribution | 11,281,565 | 3,053,604 | 3,937,732 | 7,343,834 | 34.90% | (884,127) | 28.95% |
| CC0529 Water Plant Management | 9,682,282 | 3,813,431 | 4,492,976 | 5,189,305 | 46.40% | (679,545) | 17.82% |
| CC0530 Wastewater Operations | 5,498,253 | 1,962,456 | 2,122,610 | 3,375,643 | 38.61% | (160,154) | 8.16% |
| CC0531 Wastewater Plant Management | 10,483,755 | 6,260,873 | 5,950,470 | 4,533,285 | 56.76% | 310,402 | -4.96% |
| CC0532 Irrigation Operations | 589,171 | 413,637 | 316,233 | 272,938 | 53.67% | 97,404 | -23.55% |
| CC0535 Water Conservation | 2,483,321 | 527,203 | 652,527 | 1,830,794 | 26.28% | (125,324) | 23.77% |
| CC0539 Regulatory Compliance | 1,340,556 | 205,268 | 526,916 | 813,641 | 39.31% | (321,648) | 156.70% |
| CC0553 Water Operations | 99,451 | 460,195 | 199,365 | (99,914) | 200.47% | 260,830 | -56.68% |
| CC0554 Water Control Center | 2,200,980 | 258 | 769,755 | 1,431,225 | 34.97% | (769,497) | 298254.73% |
| **Operating Expense Total** | **93,671,159** | **48,102,489** | **49,509,148** | **44,162,012** | **52.85%** | **(1,406,659)** | **2.92%** |

# QUARTERLY FINANCIAL REPORT

## WATER FUND

| Water Services Financial Report | | | | | | | |
|---|---|---|---|---|---|---|---|
| Quarterly Comparison: Q2 FY26 | Budget | FY2025 | FY2026 | FY2026 Year-to-date: Budget Vs. Actuals | | Quarterly Comparison | |
| | FY2026 | YTD Actuals: Q2 FY25 | YTD Actuals: Q2 FY26 | Variance | % of Budget | Variance | % Variance |
| **Non-Operating Expense** | | | | | | | |
| CC0001 Non-Departmental | 14,863,636 | 4,425,831 | 4,671,662 | 10,191,974 | 31.43% | (245,831) | 5.55% |
| CC0514 Water Operational Technology | 4,100 | 89,150 | 4,100 | - | 100.00% | 85,050 | -95.40% |
| CC0526 Systems Engineering | 782,865,780 | 232,583,256 | 182,772,405 | 600,093,375 | 23.35% | 49,810,851 | -21.42% |
| CC0532 Irrigation Operations | 43,305 | 2,986 | 2,162 | 41,143 | 4.99% | 824 | -27.58% |
| CC0530 Wastewater Operations | 24,713,755 | 3,740,053 | 6,041,258 | 18,672,497 | 24.44% | (2,301,206) | 61.53% |
| CC0531 Wastewater Plant Management | 155,200 | - | 120,258 | 34,942 | 77.49% | (120,258) | 0.00% |
| CC0527 Water Services Administration | 2,226,317 | 1,194,674 | 1,873,470 | 352,846 | 84.15% | (678,796) | 56.82% |
| CC0528 Water Distribution | 50,809,510 | 1,488,252 | 3,514,184 | 47,295,326 | 6.92% | (2,025,933) | 136.13% |
| CC0529 Water Plant Management | - | 269,000 | - | - | 0.00% | 269,000 | -100.00% |
| CC0535 Water Conservation | 84,762 | 60,000 | 84,762 | - | 100.00% | (24,762) | 41.27% |
| CC0539 Regulatory Compliance | 181,155 | - | 121,155 | 60,000 | 66.88% | (121,155) | 0.00% |
| CC0553 Water Operations | 46,456,153 | 8,944,469 | 11,484,025 | 34,972,128 | 24.72% | (2,539,556) | 28.39% |
| CC0554 Water Control Center | 24,600 | - | 24,600 | - | 100.00% | (24,600) | 0.00% |
| CC0524 Metering Services | 4,882,564 | 5,113,643 | 2,583,128 | 2,299,436 | 52.91% | 2,530,514 | -49.49% |
| **Non-Operating Expense Total** | **927,310,837** | **257,911,313** | **213,297,170** | **714,013,668** | **23.00%** | **44,614,143** | **-17.30%** |
| **Expense** | **1,020,981,996** | **306,013,801** | **262,806,317** | **758,175,679** | **25.74%** | **43,207,484** | **-14.12%** |

# QUARTERLY FINANCIAL REPORT

## WATER FUND

- Water Revenue
  - Operating revenue trending slightly under budget however a disproportionate amount of water charges revenue comes from the summer months
  - Water Charges are up 11.9% due to increased consumption and rate increases
  - Fees revenue decreased 1.7% from FY2025
  - Impact fees from development are within conservative modeling
  - The penalties revenue is up 79.3% due to moving wrong day irrigation fines from water charges to the penalties revenue category.
- Water Operating Expense
  - Expenses in Water Services Administration are 3.2% less than FY2025. Expenses in Water Distribution are 29% greater than FY2025 due to an increase in Rental and Lease of Equipment as well as the timing of new vehicle purchases
  - Expenses in Wastewater Operations are 8.2% greater than FY2025 due to the timing of maintenance related expenses
  - Expenses in Metering Services are 14% greater than FY2025 due to increases across various spend categories including personnel, shipping and freight and material expenditures
  - Expenses in Water Operational Technology are 176.7% greater than FY2025 due to movement of personnel to better align with functions and increases to the IT allocation
  - Meet fund balance reserve requirements

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:

**Water Reuse Assessment Report**

SUGGESTED ACTION:
**Forwarded from the Georgetown Water Utility Advisory Board (GWUAB):**
Consideration and possible action to approve the adoption of the Water Reuse Assessment Report -- Chelsea Solomon, Director of Water Utilities

ITEM SUMMARY:
The City of Georgetown has been proactively planning for future water supply and utility services through multiple recent planning efforts. The City of Georgetown completed the Water and Wastewater Master Plan and the Integrated Water Resources Plan (IWRP). Industrial development and population migration to the greater Austin area has lead to unprecedented water demand growth. The IWRP recommended different combinations of new water supply options that could meet projected future water needs over a 50-year planning horizon. The best performing supply portfolios all included additional reclaimed water use as part of the future supply strategy, with volumes ranging from 4.5 to 22.3 million gallons per day (mgd). This Water Reuse Assessment Report builds off the IWRP and evaluates detailed reuse projects to meet the reuse supply targets identified.

The Water Reuse Assessment looks at existing reclaimed uses, potential future reclaimed uses, indirect and direct potable opportunities. In addition to outlining projects to help meet future supply needs, it also lists opportunities for decommissioning aging infrastructure and consolidating to a more regional Georgetown system, which helps bring efficiencies to operations, costs, and overall maintenance and staffing needs.

These projects are not required to be completed but a menu of options that can be leveraged to reduce potable water demand and supplement long term supply and sustainability. Future IWRP updates and Water and Wastewater Master plan updates may result in the need for implementation of some of these projects.

Recommendation from Georgetown Water Utility Advisory Board:
This item was unanimously approved at the May 14, 2026 Georgetown Water Utility Advisory Board meeting for recommendation for Council approval.

FINANCIAL IMPACT:

SUBMITTED BY:
Rebecca Fisher, Water Utility Department

ATTACHMENTS:
2026 Final Reuse Report.pdf
COG Water Reuse Assessment Report_FINAL_January 2026.pdf

# Water Reuse Assessment Report Final Update

*Presentation to Water Utility Advisor Board*

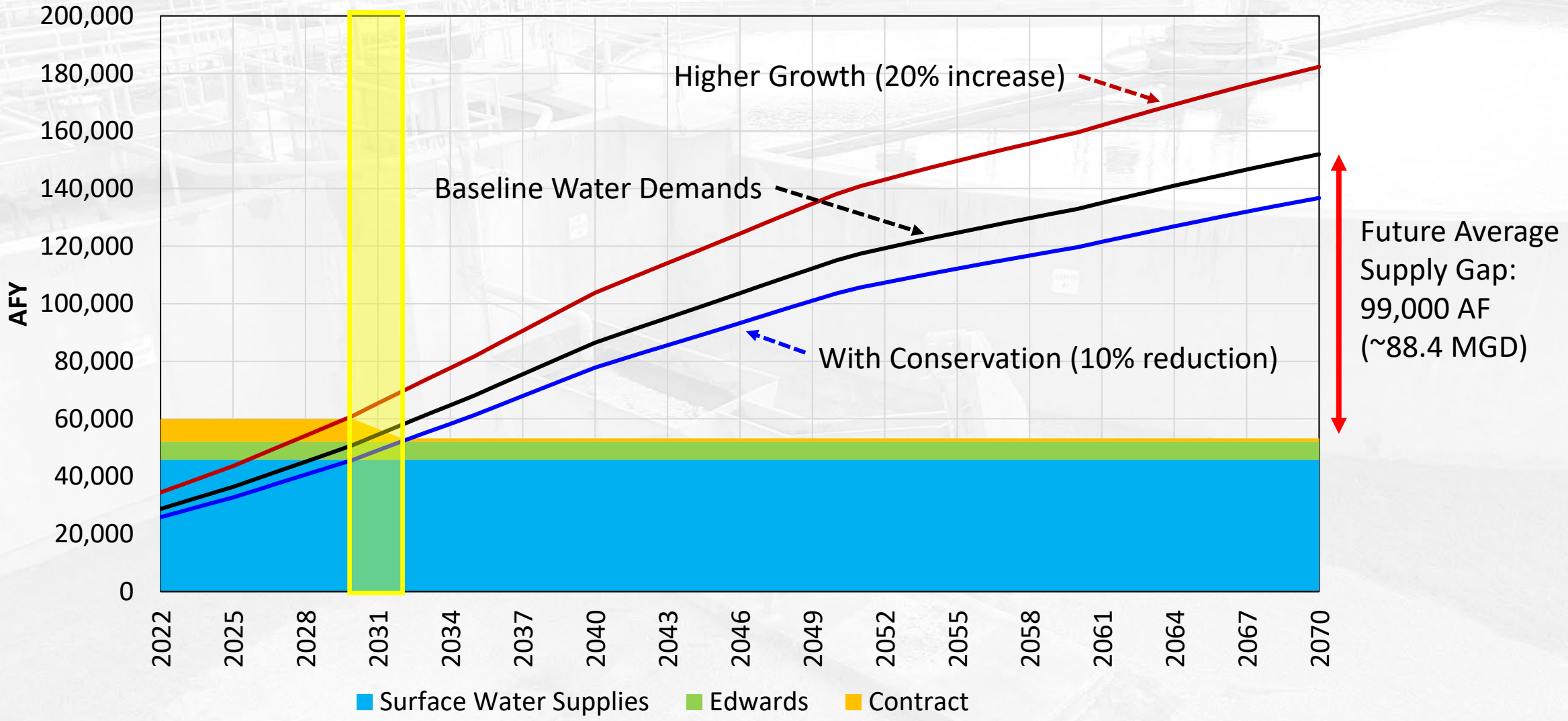
# Project Background

- Reuse assessment followed the Integrated Water Resources Plan (IWRP)
- IWRP recommended additional reuse totally approximately 22.3 MGD in addition to new groundwater supply
- Reuse assessment was completed in 2024 and focused on:
  - Targeted non-potable potential projects that reduce overall potable demand
  - Indirect potable reuse through bed and banks permitting
  - Planning for future direct potable reuse projects
  - Rate analysis for potential reclaimed levers (was postponed to work on Impact Fees and other rate maters)
- Ongoing bed and banks permitting in process with TCEQ and BRA
- Ongoing work associated with new groundwater supply

# Water Reuse Assessment Objectives

- Build upon the work of the:
  - Integrated Water Resource Plan
  - Water Master Plan
  - Wastewater Master Plan
- Evaluate existing facilities, demands and flows to assess alternatives to further leverage the use of reclaimed water.
  - Evaluate future non-potable opportunities
  - Evaluate indirect potable reuse (IPR) and direct potable reuse (DPR)
- Menu of options to utilize reuse opportunities, including planning level costs, regulatory needs, and piloting recommendations.

# City of Georgetown Future Water Demands

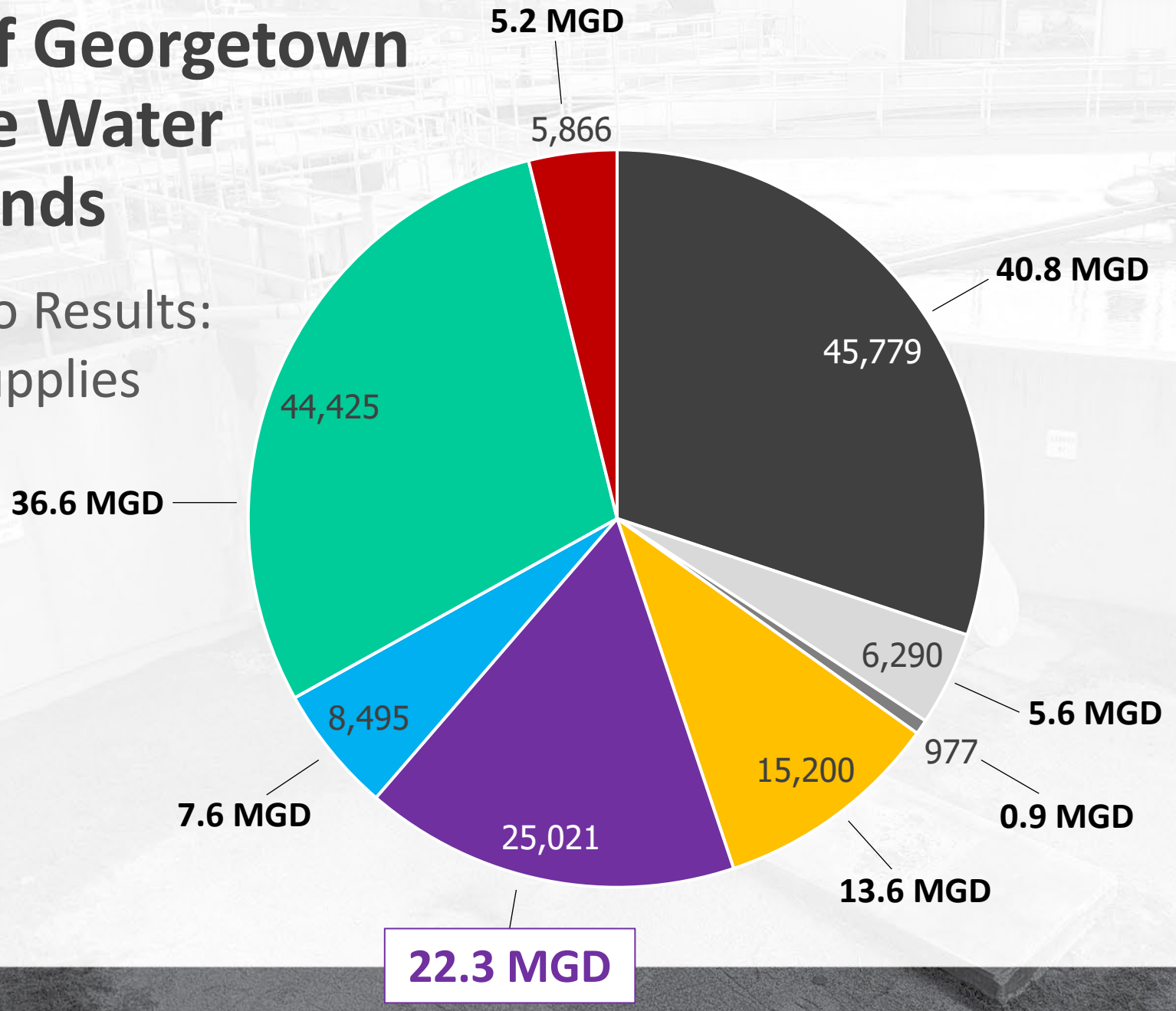


# IWRP Provides Portfolios That Meet Georgetown's Future Supply Needs

- Over 20 supply portfolios evaluated, 6 meet long-term needs
- A new supply must be online by 2030
- Regional groundwater and reclaimed water are required for all high-scoring portfolios
- Reclamation is required to prevent supply gaps unless large areas are acquired for ASR
- ASR is required if regional groundwater is not purchased

# City of Georgetown Future Water Demands

## Portfolio Results: 2070 Supplies




### Existing Supply

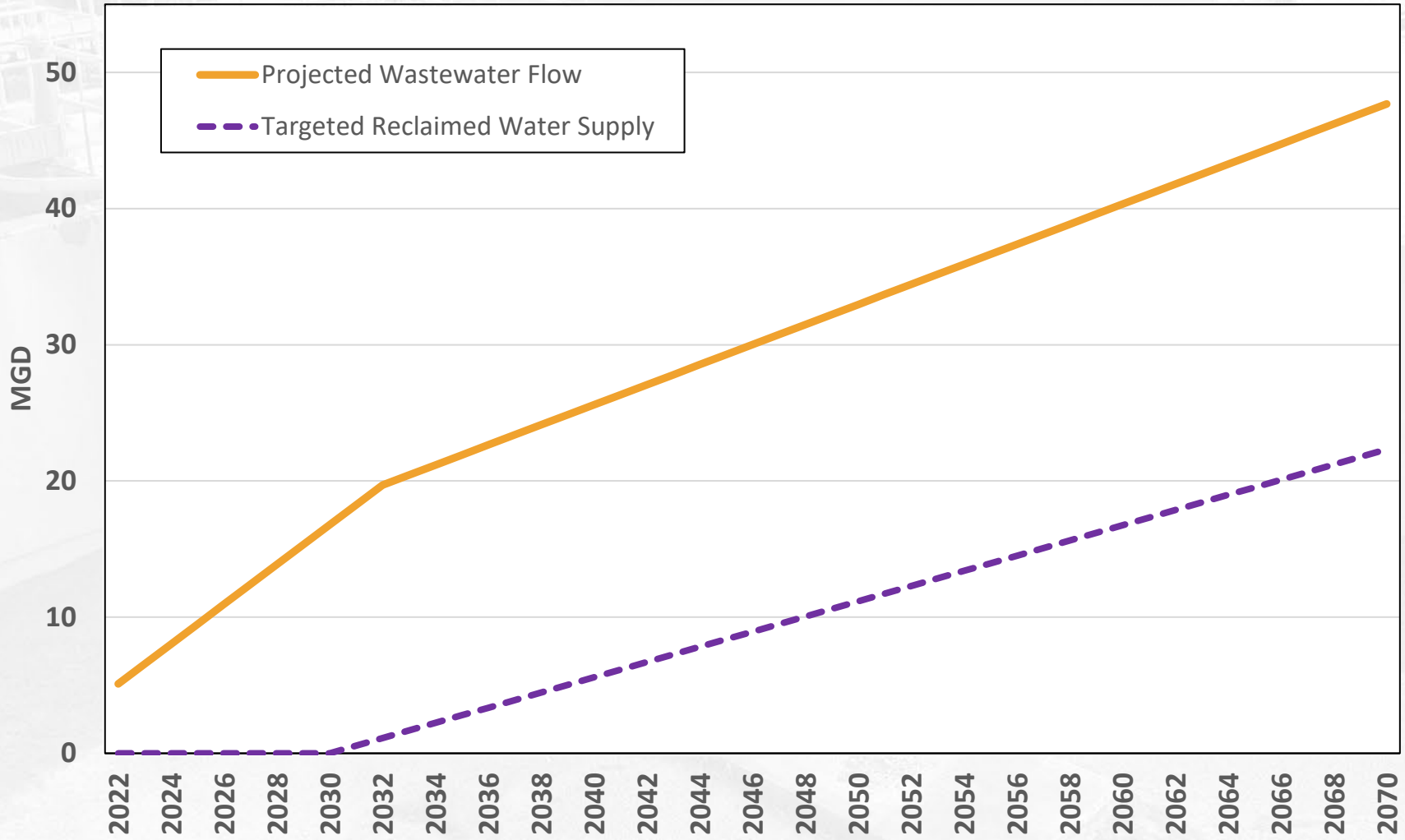
- Surface Water Used (AF)
- Edwards Aquifer Used (AF)
- Contract Used (AF)

### Future Supplies

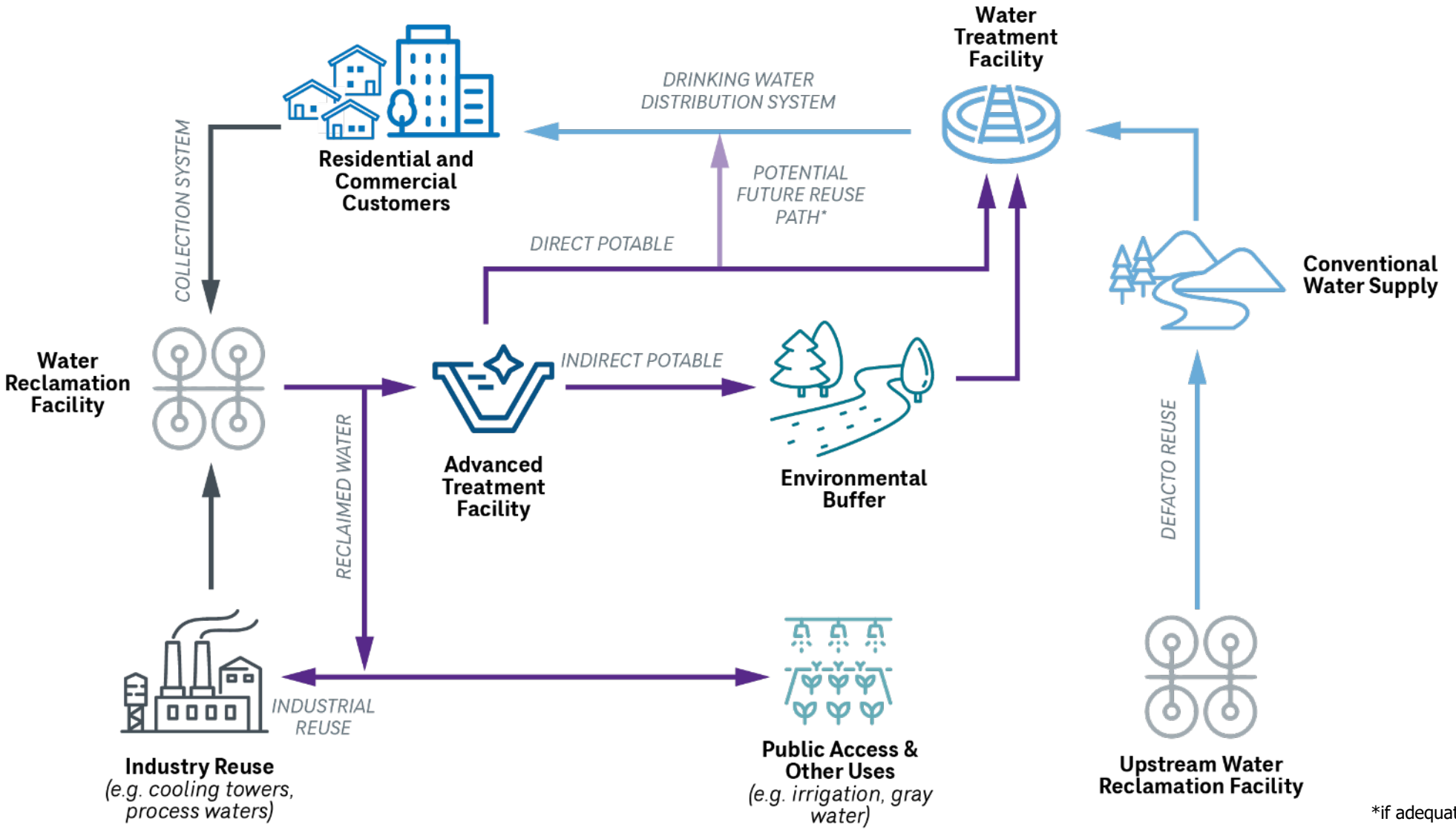
- ASR Used (AF)
- Reclaimed Volume Used (AF)
- New GW Volume Used (AF)
- Regional Groundwater Volume Used (AF)
- Hosston Used (AF)
- Conservation (AF)

*Could provide additional supply if other sources are unavailable

# Additional Reclaimed/Reuse Water Availability



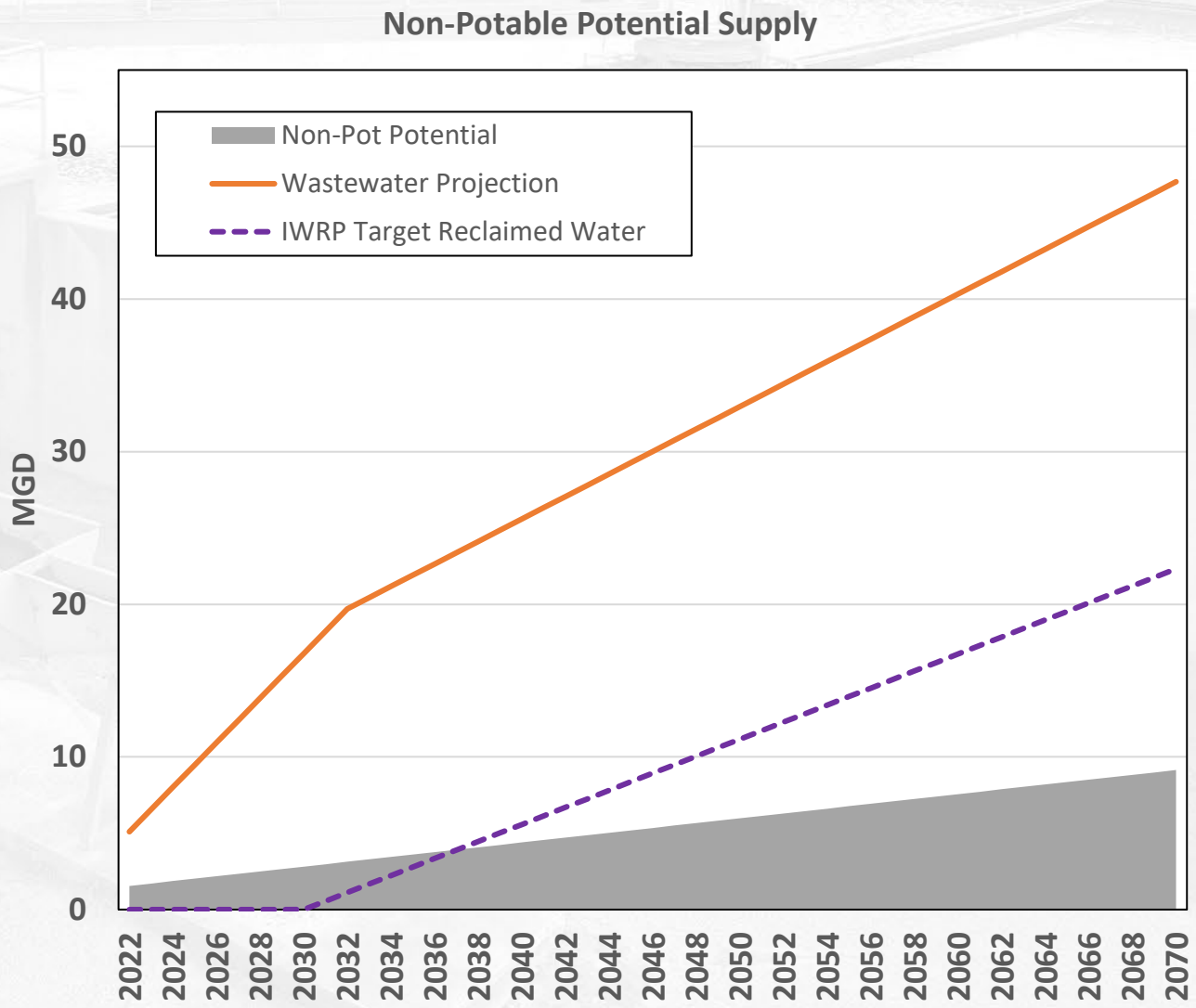
# Water Reuse Process Flow Diagram




*if adequate advanced treatment

# Available Supply: Non-Potable Supply (Irrigation)

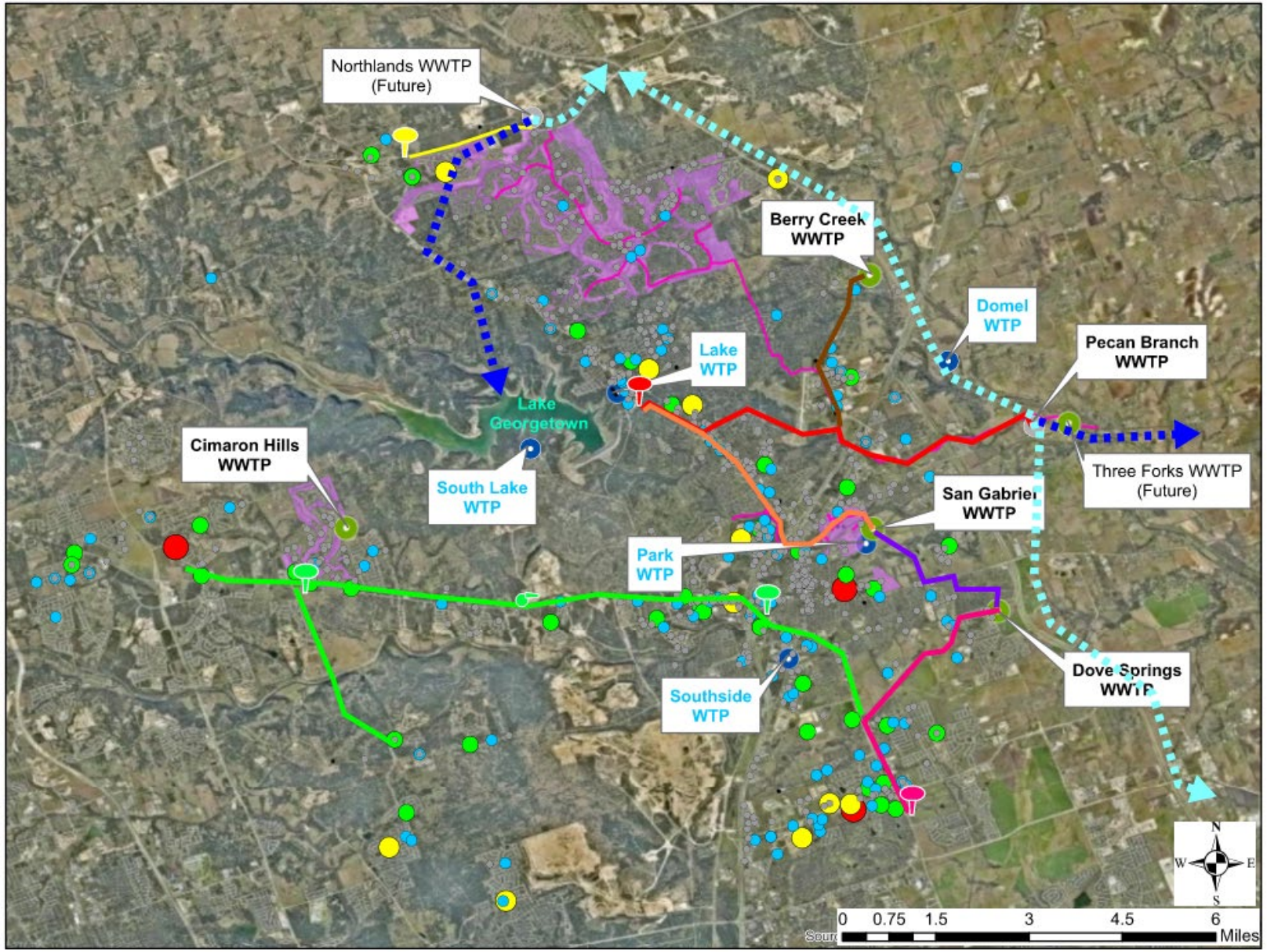
- Few large existing anchor users
- Demands are seasonal
- Limited pool of potential customers
- Assumed growth in future irrigation users matches growth in water demand



# Existing Reuse Projects

| Alternative | Reuse Type | Plant Capacity | Potential Reuse Volume |
|---|---|---|---|
| Pecan Branch WWTP Flows to Sun City | Non-potable Type I | 3.0 MGD | 3.0 MGD |
| San Gabriel WWTP Flows to Southwestern University | Non-potable Type I | 2.5 MGD | 1 MGD |
| San Gabriel WWTP to Georgetown Country Club | Non-potable Type I | 2.5 MGD | 0.5 MGD |
| San Gabriel WWTP to San Gabriel Park | Non-potable Type I | 2.5 MGD | 0.5 MGD |
| Dove Springs WWTP | None | 2.5 MGD | 0.0 MGD |
| Berry Creek WWTP to Berry Creek Golf Course | TLAP | 0.3 MGD | 0.1 MGD |
| Cimarron Hills WWTP to Cimarron Hills Golf Course | TLAP | 0.23 | 0.23 |

# Identified Possible Reuse Alternatives




**Legend**

- 0-2.2 kgal/day
- 2.2-6.5 kgal/day
- 6.5-15 kgal/day
- 15-26 kgal/day
- 26-64 kgal/day

**Legend**

- Future Wastewater Treatment Plant
- Wastewater Treatment Plant
- Drinking Water Treatment Plant

# Identified Possible Reuse Alternatives

| Alternative | New Reuse Type & Volume | Estimated Capital Cost | Availability |
|---|---|---|---|
| Three Forks WWTP to Lake WTP Elevated Storage | Non-potable: Up to 2.0 MGD | $30.2 Million | 2033 |
| San Gabriel WWTP to Lake WTP Elevated Storage | Non-potable: Up to 0.5 MGD | $24.4 Million | 2027 |
| Northlands WWTP to West-side Elevated Storage (In addition to flows to Sun City Golf Course) | Non-potable: Up to 0.5 MGD | $14.2 Million | 2033 |
| Three Forks and Northlands WWTP IPR to Lake Granger | IPR: Up to 21 MGD | $317.5 Million | 2033/2038 |
| Northlands WWTP IPR to Lake Georgetown | IPR: Up to 15.4 MGD | $85.1 Million | 2050 |
| Dove Springs WWTP to South-side Elevated Storage (including Southwestern University) | Non-potable: Up to 1.0 MGD | $16.7 Million | 2027 |
| Dove Springs WWTP to West-side Elevated Storage | No-potable: Up to 1.5 MGD | $35.0 Million | 2030 |
| Three Forks WWTP Flows to Airport PS to Berry Creek | WWTP Consolidation | $3.4 Million | 2029 |
| Northlands WWTP DPR | DPR: Up to 12.3 MGD | $192.2 Million | 2050 |
| Three Forks DPR | DPR: Up to 16.8 MGD | $294.3 Million | 2038 |

# Reuse Alternative Screening Criteria

**Alternative reduces potable water demand**

**Feasibility of implementation**

- Operational
- Constructability
- Regulatory
- Public acceptance
- Stakeholder concerns

**Prioritize non-potable**

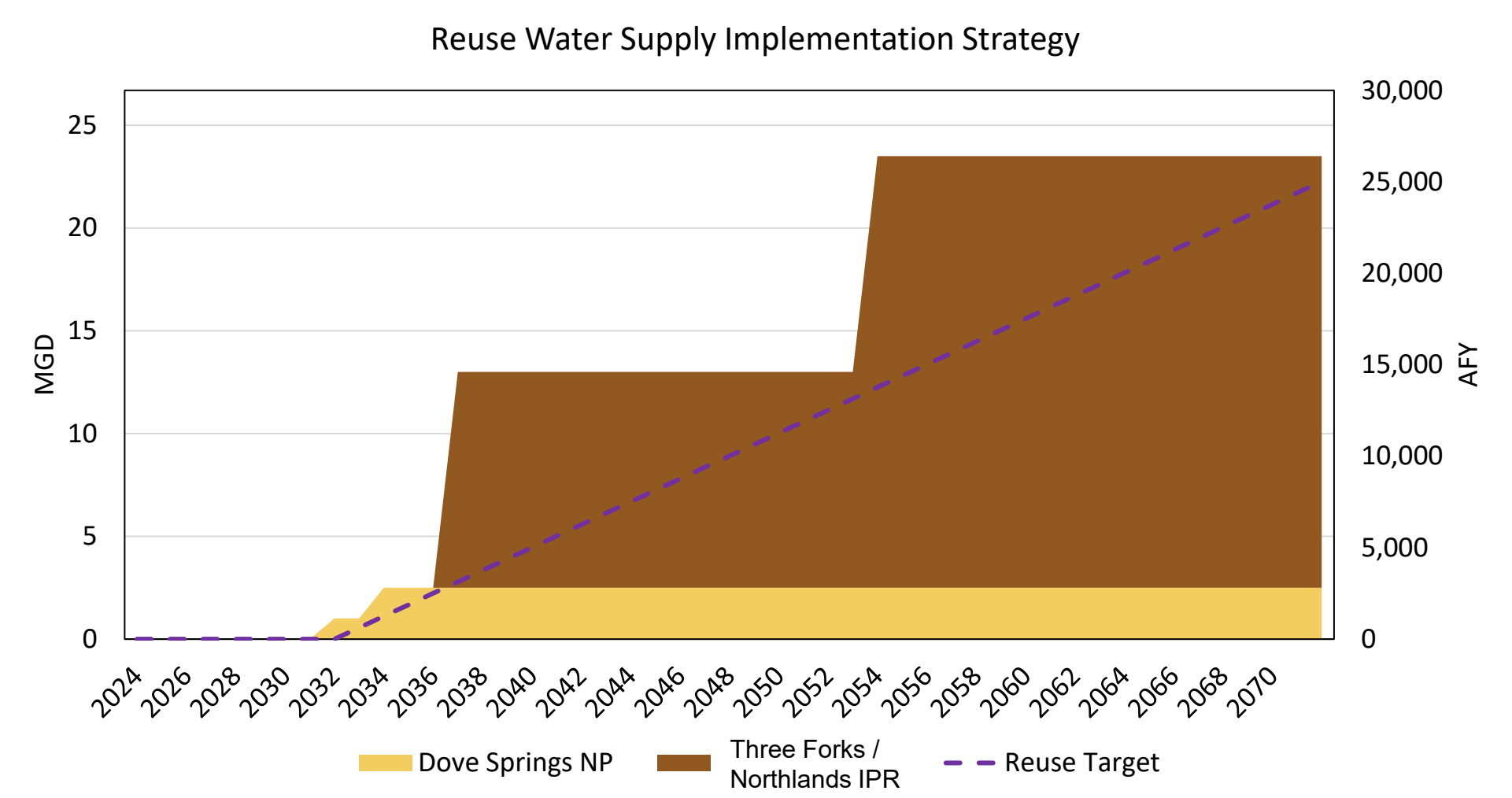
when non-potable alternative will offset potable demand

**Alternative cost**

- Capital
- Operational

**Project precedent**

IPR more widely implemented in Texas

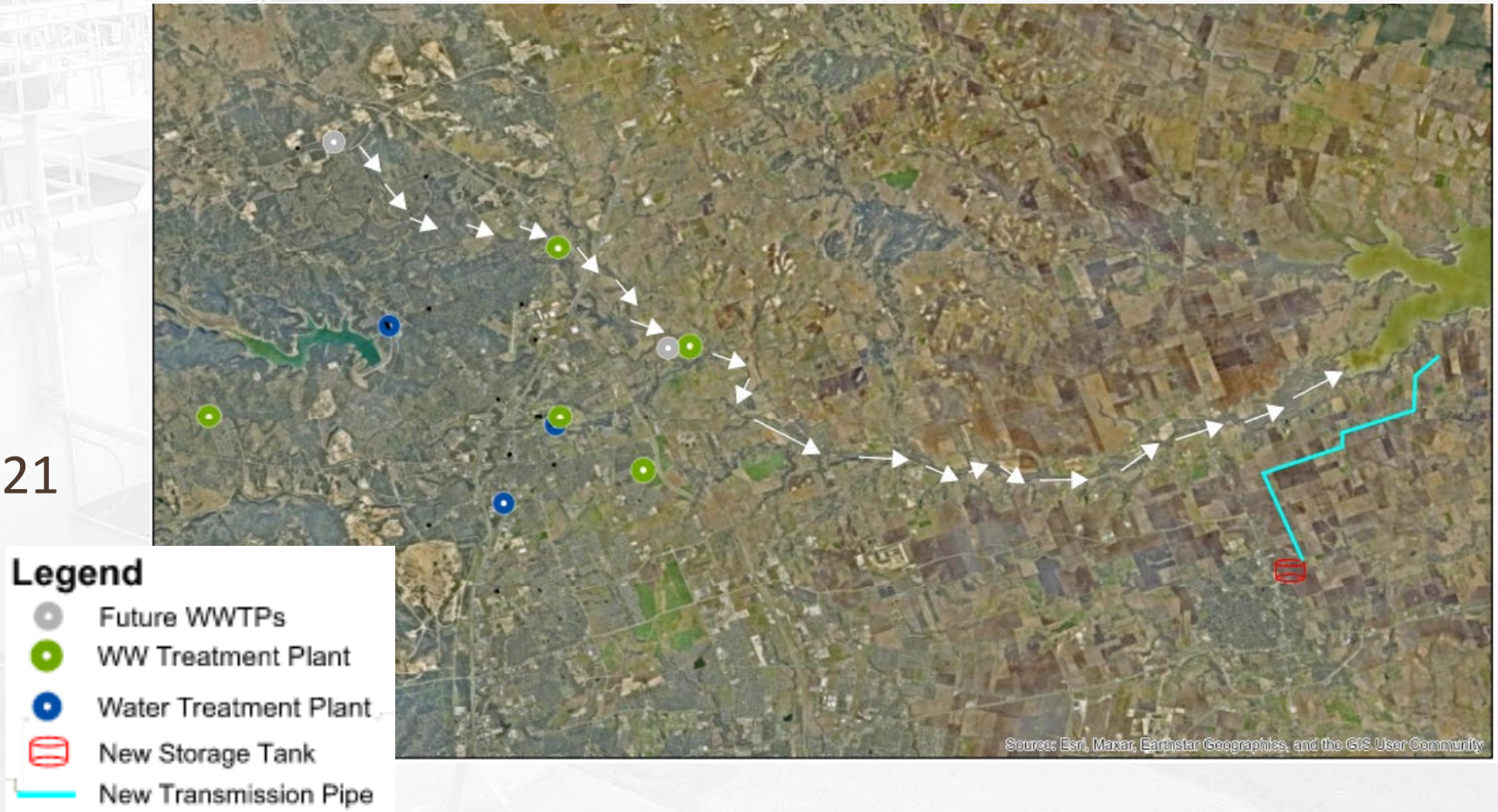

Reuse Water Supply Implementation Strategy
MGD
AFY
0
5
10
15
20
25
0
5,000
10,000
15,000
20,000
25,000
30,000
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
2048
2050
2052
2054
2056
2058
2060
2062
2064
2066
2068
2070
Dove Springs NP
Three Forks / Northlands IPR
Reuse Target

# Implementation Strategy

- Maintain all existing non-potable water systems
- IPR to Lake Granger from Three Forks WWTP, Northlands WWTP, and expansions
- Decommission Berry Creek WWTP
- Build non-potable water system from Dove Springs WWTP
- Decommission Cimarron Hills WWTP
- Provide advanced treatment at Northlands WWTP

# Three Forks & Northlands WWTP Flows to Lake Granger

- Availability:
  When Three Forks & Northlands WWTPs are constructed
- Volume available:
  ~10.5 MGD in 2037 and 21 MGD in 2050




Three Forks and Northlands WWTP → Bed and Banks → Lake Granger → EWC WTP → Blend with Regional GW

# Three Forks WWTP flows to Airport PS to Berry Creek

- Availability: Requires installation of a new pump station and water line
- Replaces Berry Creek WWTP flows if desired

# Dove Springs WWTP Flows South and West

- Availability: With improvements at Dove Springs WWTP
- Allows removal of Cimarron Hills WWTP, or Cimarron Golf course served by Lakeside Estates
- Volume available:
  ~1 MGD
  South (blue)

  ~1.5 MGD
  West (orange)

**Legend**

- 0-2.2 kgal/day
- 2.2-6.5 kgal/day
- 6.5-15 kgal/day
- 15-26 kgal/day
- 26-64 kgal/day

**Legend**

- Future Wastewater Treatment Plant
- Wastewater Treatment Plant
- Drinking Water Treatment Plant

# Northlands IPR with PFAS Removal Facility

- Availability: ~1 MGD in 2029 and ~12 MGD in 2050

Northlands WWTP

↓

PFAS Removal Facility

↓

Lake Georgetown

↓

Lake WTP

↓

Distribution to COG

# Rate Analysis - Existing

- Current Rates do not cover costs
- Analysis based on FY-26 rate model, represent scale, but not updated for ongoing FY 27 model
- Reuse rates currently adjust with volumetric water adjustment percentage
- There is NO base rate on reuse currently
- No CIP projects
- If the rate is increased to fully cover the expenses, the full coverage reuse rate would increase from $1.80 in FY 2025 to $3.47 in FY 2026. This would be a 92.8% increase.
- Current FY-26 rate is $1.95

**Table 5.**
**Full Coverage Reuse Rate With No CIP Project - Increases**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Full Coverage - No CIP Proj | $3.47 | $3.72 | $4.20 | $4.40 | $4.63 |
| Difference Yr to Yr ($) | $1.67 | $0.25 | $0.48 | $0.20 | $0.23 |
| Difference Yr to Yr (%) | 92.8% | 7.2% | 12.9% | 4.8% | 5.2% |

# Rate Analysis vs Potable Rate

- Potable is lower since fixed costs are partially covered by base rates
- No base rate for reuse.
- Based on FY 26 rate model
- No CIP projects

**Table 7.**
**Reuse Rate vs Proposed Potable Rate – No CIP Project**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Reuse Rate - No CIP | $3.47 | $3.72 | $4.20 | $4.40 | $4.63 |
| Potable Water Rate | $2.75 | $3.00 | $3.25 | $3.55 | $3.85 |
| Difference ($) | $0.72 | $0.72 | $0.95 | $0.85 | $0.78 |
| Difference (%) | 26.2% | 24.0% | 29.2% | 23.9% | 20.3% |

# Rate Analysis Full Coverage with CIP project increases

- Potable is lower since fixed costs are partially covered by base rates
- NO base rate for reuse
- Based on FY 26 rate model
- CIP based on year could come online
- Not all projects included as some are beyond the rate analysis period

**Table 8.**
**Full Coverage Reuse Rate With CIP Project - Increases**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Full Coverage | $3.47 | $3.78 | $4.51 | $4.73 | $4.97 |
| Difference Yr to Yr ($) | $1.67 | $0.31 | $0.73 | $0.22 | $0.24 |
| Difference Yr to Yr (%) | 92.8% | 8.9% | 19.3% | 4.9% | 5.1% |

# Rate Analysis vs Potable Rate with CIP Projects

- Potable is lower since fixed costs are partially covered by base rates
- NO base rate for reuse.
- Based on FY 26 rate model

Table 10.
Full Coverage Reuse Rate With CIP Project vs Proposed Potable Rate

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Full Coverage | $3.47 | $3.78 | $4.51 | $4.73 | $4.97 |
| Potable Water Rate | $2.75 | $3.00 | $3.25 | $3.55 | $3.85 |
| Difference ($) | $0.72 | $0.78 | $1.26 | $1.18 | $1.12 |

# Potential Items to consider through Implementation

- Effluent to existing reclaimed non-potable, does not always reduce potable demand
- Infrastructure to fully utilize effluent for non-potable is not established and is not heavily utilized during the winter (68% less than summer)
- Reclaimed non-potable revenues do not currently support the reclaimed utility
- May need to move to a “take or pay type” arrangement
- In a drought scenario, effluent to reclaimed non-potable prioritizes non-potable customers over potable uses
- IPR offers operational flexibility
- Already have extensive potable infrastructure
- Already have flexibility, billing, and cost recovery in the potable water system
- All Reclaimed non-potable contracts should be renegotiated

# Next Steps

- Recommendation of final report to council
- Reuse rate will for the time being continue the practice of adjustment with the volumetric water rate
- Upon sale finalization of the CCN, reuse and IWRP to be updated for reuse needed.
- Assessment to be updated with next Water/Wastewater Master Plan.
- Future policy discussion with council
  - Highest and best use, where do they want to focus CIP and rate dollars
  - Does reuse need a base rate
  - How much subsidy do they want to provide

GEORGETOWN
TEXAS
*more than welcome*

CITY OF GEORGETOWN

# WATER REUSE ASSESSMENT REPORT

JANUARY 2026

*Photo Courtesy of City of Georgetown*

CDM Smith

REPORT

JANUARY 2026

# FINAL
# Water Reuse Assessment Report

Prepared for:

**CITY OF GEORGETOWN**

CDM Smith

TPBE Firm Registration No. F-3043

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**Appendix F  Lake Granger Uncontrolled and Controlled Flows**

**Appendix G Rate Anlaysis**

# Acronyms and Abbreviations

| | |
|---|---|
| 1/d | per day |
| °F | Degrees Farenheit |
| °C | Degrees Celsius |
| % | Percent |
| µg/L | micrograms per liter |
| AF | Acre-feet |
| AFY | Acre-feet per year |
| ASR | Aquifer Storage and Recovery |
| BOD/$BOD_5$ | Five-day Biochemical oxygen demand |
| CBOD | Carbonaceous Biochemical Oxygen Demand |
| CCN | Certificate of Convenience and Necessity |
| CFU/100 mL | Colony forming units per 100 milliliters |
| CIP | Capital Improvement Project |
| COG | City of Georgetown |
| CRADA | Cooperative Research and Development Agreement |
| CSTR | Continuously Stirred Tank Reactor |
| DDW | Division of Drinking Water |
| DS | Dove Springs |
| DPR | Direct Potable Reuse |
| EPA | Environmental Protection Agency |
| EPCOR | Edmonton Power Corporation |
| EST | Elevated storage tank |

| | |
|---|---|
| ETJ | Extra-Territorial Jurisdiction |
| EWC | East Williamson County |
| FY | Fiscal Year |
| GAC | Granular activated carbon |
| Gal | Gallon |
| GIS | Geographic information system |
| $g/m^2/d$ | Grams per square meter per day |
| GWRS | Ground Water Replenishment System |
| HOA | Homeowner's Association |
| hp | Horsepower |
| HS | High Service Pumps |
| IPR | Indirect potable reuse |
| IWRP | Integrated Water Resource Plan |
| $kg/m^2/d$ | kilogram per square meter per day |
| LF | Linear feet |
| MBR | Membrane Bioreactor |
| LVLWTF | Leo J. Vander Lans Advanced Water Treatment Facility |
| m | meter |
| MF | Microfiltration |
| mg | Million gallons |
| mgd | Million gallons per day |
| mg/L | Milligrams per liter |
| mi | miles |
| mL | milliliter |

| | |
|---|---|
| NA | Not applicable |
| ng/L | nanograms per liter |
| NDMA | n-nitrosodimethylamine |
| NPDES | National Pollutant Discharge Elimination System |
| NTU | Nephelometric Turbidity Unit |
| OCSD | Orange County Sanitation District |
| OCWD | Orange County Water District |
| PCR | Polymerase chain reaction |
| PFAS | Per- and Polyfluoroalkyl Substances |
| ppm | parts per million |
| RO | Reverse osmosis |
| SCADA | Supervisory Control and Data Acquisition |
| SDWA | Safe Drinking Water Act |
| SG | San Gabriel |
| SOD | Sediment Oxygen Demand |
| SOP | Standard operating procedures |
| SU | Standard Units |
| TCEQ | Texas Commission on Environmental Quality |
| TDS | Total dissolved solids |
| TLAP | Texas Land Application Permit |
| TOC | Total organic carbon |
| TPDES | Texas Pollutant Discharge Elimination System |
| TWC | Texas Water Code |
| TWDB | Texas Water Development Board |

| | |
|---|---|
| UF | Ultrafiltration |
| UV | Ultraviolet Disinfection |
| UV/AOP | Ultraviolet Disinfection with Advance Oxidation Process |
| UIC | Underground Injection Control |
| UNM | Uniform Costing Model |
| USBR | United States Bureau of Reclamation |
| WASP | Water Quality Analysis Simulation Program |
| WIT | Water Integration Tool |
| WRF | Water Reclamation Facility |
| WTP | Water treatment plan |
| WWTP | Wastewater Treatment Plant |

# Executive Summary

The City of Georgetown (city) has been proactively planning for future water supply and utility services through multiple recent planning efforts – the City of Georgetown Water System Masterplan, the City of Georgetown Wastewater System Masterplan, and the City of Georgetown Integrated Water Resources Plan (IWRP). Industrial development and population migration to the greater Austin area has led to unprecedented water demand growth. The IWRP recommended different combinations of new water supply options that could meet projected future water needs over a 50-year planning horizon. The best performing supply portfolios all included additional reclaimed water use as part of the future supply strategy, with volumes ranging from 4.5 to 22.3 million gallons per day (mgd). This Reuse Assessment builds off the IWRP and evaluates detailed reuse projects to meet the reuse supply targets identified that could reduce potable demand or be an option for reuse in the future. This plan is constructed with the objectives of reducing potable demand and/or supplementing raw water supply.

In addition to helping the city meet its future water demand, other benefits of implementing a reuse water program include:

- **Reliability:** Reuse water is a consistent supply and less impacted by drought and other disruptions than surface water and groundwater sources.
- **Sustainability:** Reuse water reduces the pressure on natural systems.
- **Local Control:** Reuse water is locally sourced so there is no competition with neighboring cities for water rights.
- **Cost-Effectiveness:** As competition for local groundwater and surface water sources increase, cities need to go further afield for new supplies, making reuse to offset potable demand and indirect potable reuse a cost-effective alternative. Reclaimed water is likely to be less expensive than new groundwater resources. However, the use of reclaimed for irrigation purposes is not currently set up so that the reclaimed water rate fully supports the cost of a reclaimed system.

## Types of Reuse Supply

There are multiple types of reuse water used for different purposes and with different regulatory requirements. Each is described below and shown conceptually in **Figure ES-1**.

- **Non-Potable Reuse:** Non-potable reuse water is treated wastewater used for non-drinking water purposes. In Texas, it is further categorized into Type I and Type II.
  - Type I – Applications where reclaimed water may come into contact with the public, including but not limited to residential irrigation, public park irrigation, fire protection, irrigation of food crops, or toilet flushing.
  - Type II – Applications where the public would not come in contact with the reclaimed water, including but not limited to irrigation in remote locations, irrigation of spaces where public access can be restricted during times of irrigation, such as golf courses, sod farms, cemeteries, industrial complexes, and cooling tower makeup water.

- **Indirect Potable Reuse (IPR):** IPR is the intentional discharge of treated wastewater to an environmental buffer—such as a lake, river or tributary, or groundwater aquifer—before subsequent withdraw, treatment and distribution to customers. Many water systems in Texas include de-facto, or unintentional potable reuse, as drinking water sources often have a fraction of supply that originates from wastewater effluent discharged from an upstream community.
- **Direct Potable Reuse (DPR):** DPR is the introduction of treated reclaimed municipal wastewater either: directly into a public water system; or into a raw water supply immediately before the water enters a drinking water treatment plant.

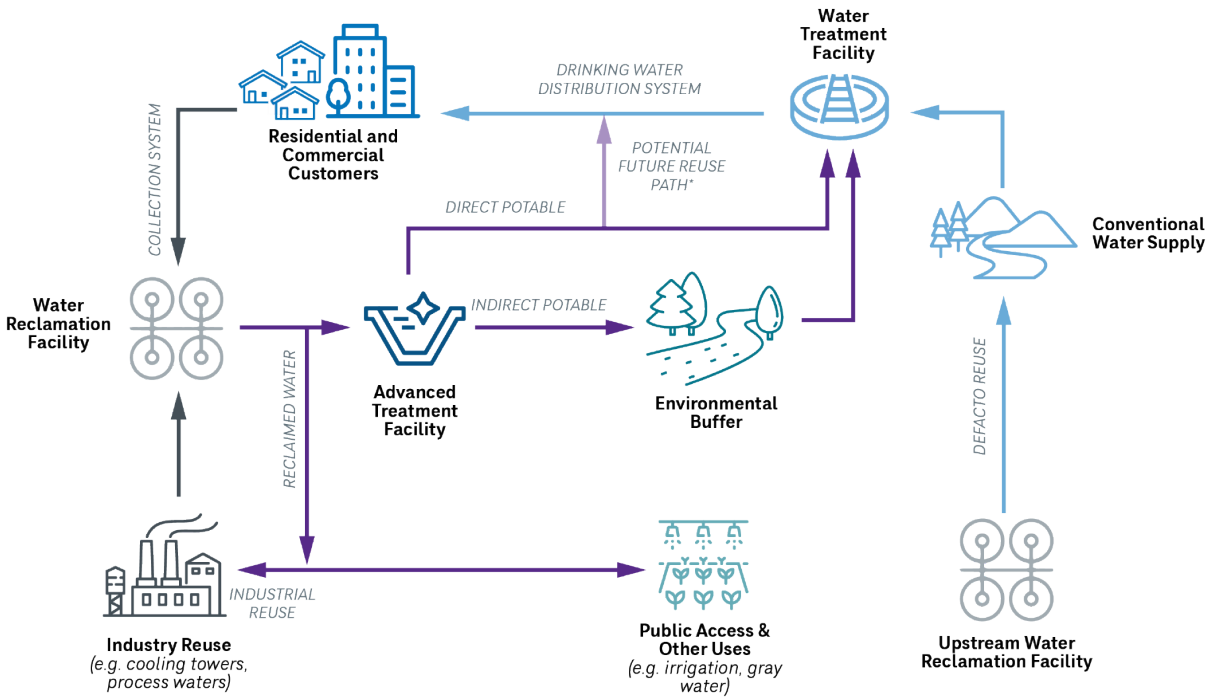


**Figure ES-1 Water Reuse Conceptual Flow Diagram**

## Existing Reuse System

The city currently has five wastewater treatment plants (WWTPs) with a combined average treatment capacity of 8.53 mgd and two additional plants planned to serve future growth areas (**Figure ES-2**). The city has an existing non-potable reuse network that uses treated effluent from the Pecan Branch, San Gabriel, Berry Creek, and Cimarron Hills WWTPs.

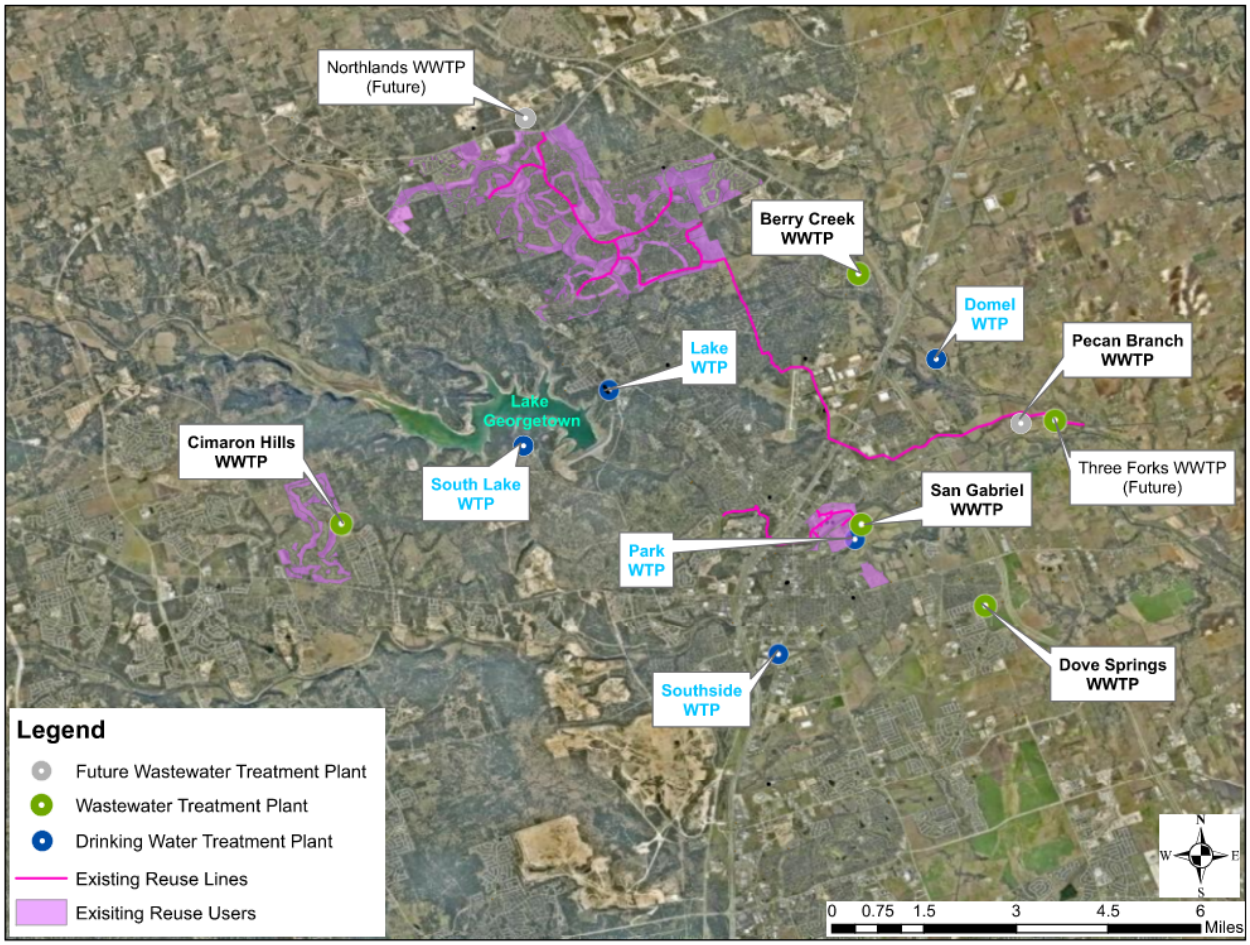


**Figure ES-2 City of Georgetown Existing and Future Facilities**

## Future Reuse Supply Options

The Reuse Assessment is targeting providing at least 22.3 mgd of reuse water supply to match the preferred supply portfolio from the IWRP. In total nine different supply alternatives were evaluated including five non-potable reuse options, two IPR options, and two DPR options. These alternatives are detailed below in **Table ES-1**.

**Table ES-1 Reuse Supply Alternatives Evaluated**

| Reuse Type | Alternative | Max Yield (mgd) | Estimated Capital Cost Year 2024$ ($ Million) |
|---|---|---|---|
| Non-potable | Three Forks WWTP to Lake WTP Elevated Storage | 2.0 | $30.2 |
| Non-potable | San Gabriel WWTP to Lake WTP Elevated Storage | 0.5 | $24.4 |
| Non-potable | Northlands WWTP to West-side Elevated Storage (In addition to flows to Sun City Golf Course) | 0.5 | $14.2 |

| Reuse Type | Alternative | Max Yield (mgd) | Estimated Capital Cost Year 2024$ ($ Million) |
|---|---|---|---|
| IPR | Three Forks and Northlands WWTP IPR to Lake Granger | 21 | $317.5 |
| IPR | Northlands WWTP IPR to Lake Georgetown | 15.4 | $85.1 |
| Non-potable | Dove Springs WWTP to South-side Elevated Storage (including Southwestern University) | 1.0 | $16.7 |
| Non-potable | Dove Springs WWTP to West-side Elevated Storage | 1.5 | $35.0 |
| WWTP Consolidation | Three Forks WWTP Flows to Airport PS to Berry Creek | - | $3.4 |
| DPR | Northlands WWTP DPR | 12.3 | $133.6 |
| DPR | Three Forks WWTP DPR | 16.8 | $251.8 |

## Recommendations

Focusing only on expanding the city's non-potable reuse system does not provide enough additional supply to meet the identified need of at least 22.3 mgd. While expansion of the non-potable system is recommended in some areas, implementing potable reuse at the new larger WWTPs will allow for more flexibility in future water supply alternatives. **Figure ES-3** shows the evaluation criteria, both cost and non-cost, used in selecting the recommended projects.

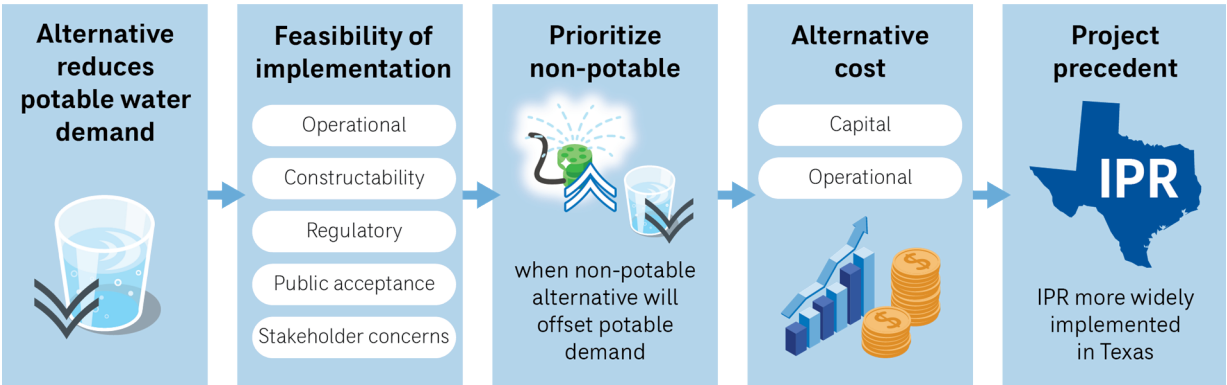


**Figure ES-3 Reuse Alternative Screening Criteria**

After costing and screening, the recommended reuse project alternatives are:

- **Maintain all existing non-potable water systems:** It is recommended that the city continue to supply non-potable water from the Pecan Branch WWTP and the San Gabriel WWTP to serve existing reclaimed customers.

- **IPR to Lake Granger:** Treated effluent from the new Three Forks WWTP, Northlands WWTP and expansions to existing plants is recommended to be conveyed via the San Gabriel River to Lake Granger under a bed and banks permit. From Lake Granger, the water would be treated at the East Williamson County Water Treatment Plant and pumped to Circleville for storage and conveyance back to the city distribution system. To give the city flexibility to consider DPR from future plants, it is recommended that the future facilities evaluate membrane bioreactors for treatment.
- **Decommission Berry Creek WWTP:** With the larger Three Forks WWTP planned, wastewater flows can be re-diverted to Three Forks WWTP while Berry Creek WWTP could be decommissioned to save on operation and maintenance costs. A new pump station and pipeline utilizing Three Forks WWTP effluent could continue to fill the Berry Creek ponds to supply the Berry Creek golf course contracted reuse water volume.
- **Build non-potable water system from Dove Springs WWTP:** Reuse water from Dove Springs is recommended to supply existing and new non-potable reuse customers to the south and west of the plant. New tertiary filters would be required at Dove Springs WWTP. Pump stations, transmission mains and elevated storage tanks would be installed to deliver Type I reuse water to irrigation customers.
- **Decommission Cimarron Hills WWTP:** The reuse supply from Dove Springs WWTP could supply the golf course at Cimarron Hills WWTP, allowing that plant to be decommissioned.
- **Provide advanced treatment at Northlands WWTP:** It is recommended that the new Northlands WWTP evaluates membrane bioreactors and treatment for per- and polyfluoroalkyl substances (PFAS). This would allow for future IPR to Lake Georgetown and/or Lake Granger.

The projects identified in **Figure ES-4** allow the city to meet the reuse targets set within the IWRP. Prior to implementing a non-potable reuse project the city needs to ensure that it can first meet its long term potable needs and weigh the cost of new water versus the cost of indirect potable reuse or direct potable reuse. There is not a Certificate of Convenience and Necessity (CCN) that requires a reclaimed system to be in place, but CCN regulations do require long term ability to serve potable domestic use.

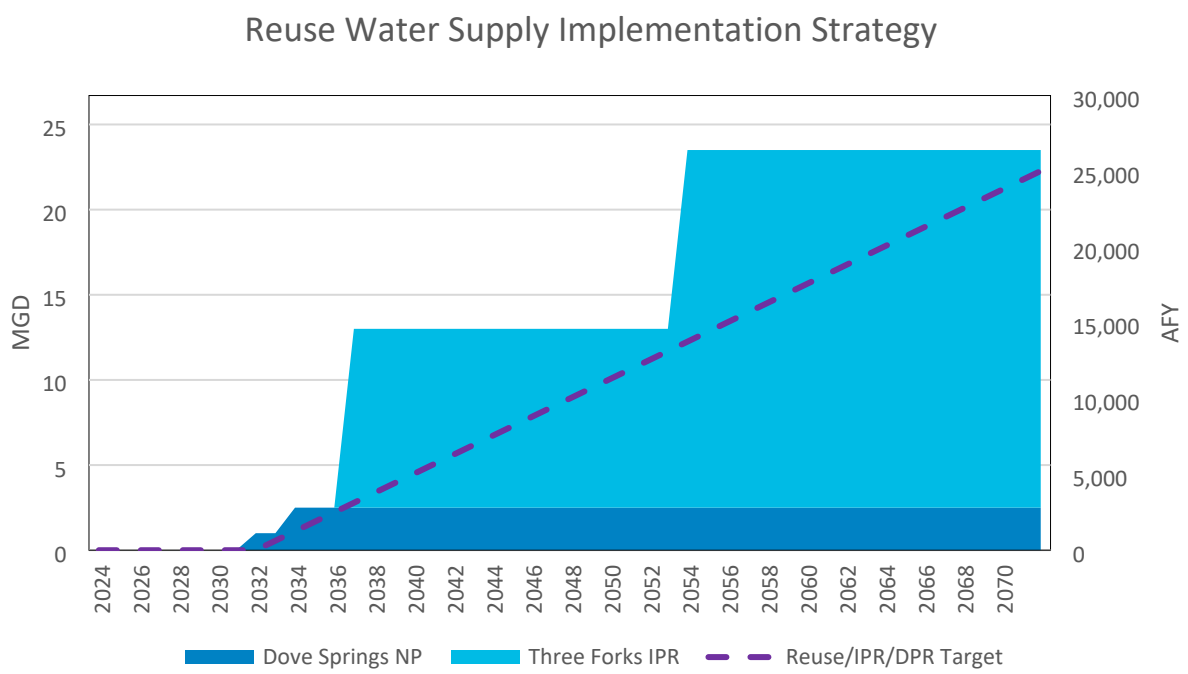


**Figure ES-4 Recommended New Reuse Projects to Meet the IWRP Water Supply Strategy**

# 1.0 Introduction and Background

The City of Georgetown (city) led an effort to meet increasing water demands for their rapidly growing population and to diversify their water supplies by recently completing the City of Georgetown Water System Masterplan (CDM Smith, June 2022) for potable water, City of Georgetown Wastewater System Masterplan (CDM Smith, January 2023), and City of Georgetown Integrated Water Resources Plan (CDM Smith, May 2023). The results of these studies indicated a significant portion of reuse water supply may be required to meet future potable water supply demands. This report summarizes findings of the effort to evaluate both non-potable and potable reuse opportunities that will allow the city to provide reuse water in quantities sufficient to meet their long-term water supply needs. The terms "reuse" and "reclaimed water" will be used interchangeably in this report.

## 1.1 Existing Water Supply and Future Supply Planning

The city has historically met approximately 70 percent of its water demand through a contract with the Brazos River Authority; the water is supplied from Lake Georgetown and is supplemented with water transferred from Lake Stillhouse Hollow and backed up by supplies in Lake Belton. Additional supply sources include the Edwards Aquifer and contracts with the Brushy Creek Regional Utility Authority (which is supplied through a contract with the City of Round Rock) and the City of Leander for supply from Lake Travis and the Lower Colorado River Authority. **Figure 1.1** provides a schematic that summarizes the existing water and wastewater system.

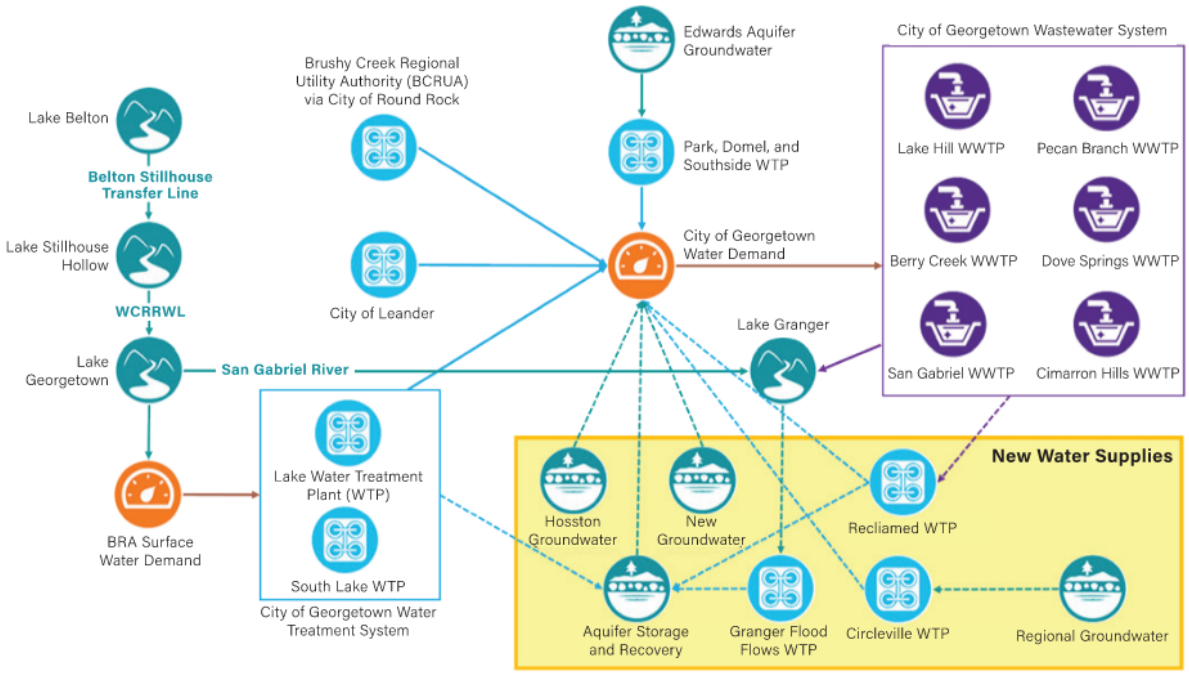


**Figure 1.1 Water Integration Tool Elements Showing the City Water Supply and Demand**

Within the Integrated Water Resource Plan (IWRP), a system model **Figure 1.1** was created to simulate changes to surface water, groundwater, and recycled water budgets with changing hydrology and new projects implementation over a 50-year planning period. Because no single supply option was sufficient

to address the city's projected water supply gaps, groups of options were combined into supply portfolios. These portfolios were then compared based on reliability, cost-effectiveness, public acceptance, and permitting complexity. The best performing supply portfolios all included additional reclaimed water use as part of the future supply strategy, with volumes ranging from 4.5 to 22.3 million gallons per day (mgd). The selected portfolio from the IWRP is shown in **Figure 1.2**; of the options considered, it is the one with the highest percentage of reclaimed water.

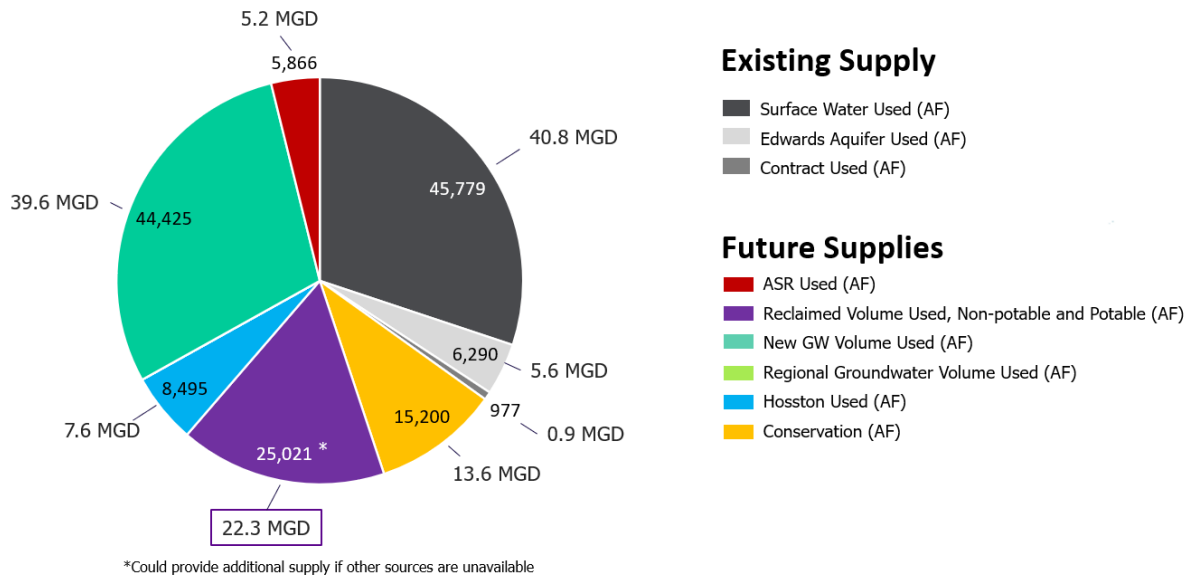


**Figure 1.2 Water Supplies for City Through 2070 to Meet Projected Demand**

## 1.2 Drivers for Recycled Water Implementation

In addition to helping the city meet its water supply demand, there are other benefits to implementing a reclaimed potable/non-potable water program:

- Reliability: Reuse water is a consistent supply and less impacted by drought and other disruptions than surface water and groundwater.
- Sustainability: Reuse water reduces the pressure on natural systems.
- Local control: Reuse water is locally sources so there is no competition with neighboring cities for water rights.
- Cost-effectiveness: As competition for local ground and surface water sources increase, cities need to go further afield for new supplies, making reuse a cost-effective alternative.

### 1.2.1 Drinking Water Facilities

The city's drinking water system is complex because of the topography and the recent integration of two formerly separate water distribution systems. The city's surface water treatment plants (WTPs) are located near Lake Georgetown within or near the city limits. The city's groundwater facilities are located spread out over the productive area of the Edwards Aquifer. A series of storage tanks and pump stations transport water into multiples pressure planes (eight pressure planes) located throughout the city and

its service area. The total water service area which is defined by the city's CCN, including both existing and future services, covers approximately 465 square miles (297,600 acres), of which about 180 square miles (116,000 acres) are within the city limits or Extra-Territorial Jurisdiction (ETJ). The CCN also extends into the cities of Leander and Liberty Hill. The remainder is largely undeveloped and extends far outside the ETJ, especially to the north in Bell and Burnet Counties.

The city currently has about 45 mgd of treated water capacity through a combination of surface water, groundwater, and purchased supplies. The current workhorse of the system is the Lake WTP, situated north of Lake Georgetown, which can produce 28.6 mgd, or 64 percent (%) of the total capacity. This WTP is undergoing an expansion to 37.4 mgd and will be online by summer 2024. Concurrently, the city is building a new plant, the South Lake WTP, off the south shore of Lake Georgetown. This plant will be capable of producing 44 mgd when completed in 2025. It is anticipated in year 2070, 135.7 mgd will be needed to meet demand projections.

### 1.2.2 Water Reclamation Facilities

The city's wastewater collection and treatment system consists of approximately 440 miles of gravity pipe, 28 miles of force main, and five wastewater treatment plants (WWTPs). The total average treatment capacity of the system, based on the summed capacity of all five WWTPs, is 8.5 mgd. The city has an existing non-potable reuse network that includes utilization of treated effluent from the Pecan Branch, San Gabriel, Berry Creek, and Cimarron Hills WWTPs. Up to 3 mgd of Type I treated effluent from Pecan Branch WWTP is pumped to the Sun City Golf Course. Type I reclaimed water from the San Gabriel WWTP is used to irrigate athletic fields at Southwestern University, the Country golf course and the San Gabriel Park. The Berry Creek WWTP is permitted to provide 0.1 mgd of Type II effluent to the Berry Creek Country Club golf course. The Cimarron Hills WWTP is a no-discharge plant permitted for 0.24 mgd to be used for golf course irrigation uses. Effluent not used as non-potable reclaimed water is discharged to the San Gabriel River and flows into Lake Granger, where it is stored prior to being utilized as a drinking water source for other water utilities and make up water from Georgetown's BRA raw water contract. Major existing and future treatment facilities, existing reclaimed water lines and existing non-potable irrigation areas within the city are shown in **Figure 1.3**.

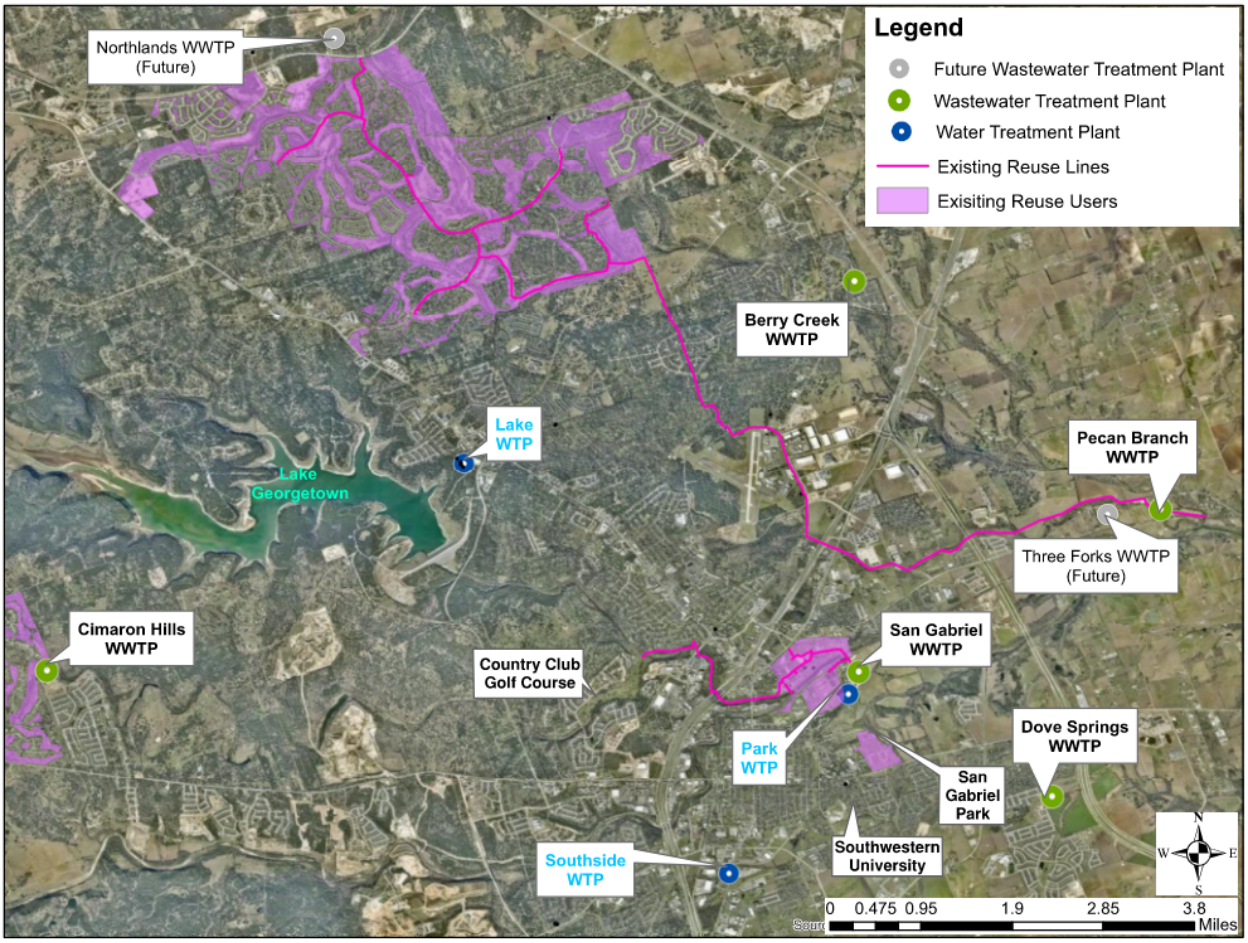


**Figure 1.3 City of Georgetown's Major Existing and Future Facilities**

# 1.3 Future Planned Infrastructure Projects

Based on recommendations from the wastewater master plan evaluation results, two new WWTPs are being built to meet the required wastewater demands in the next 10 years. Most of the new development growth is expected to happen to the north and west of Lake Georgetown, which is uphill and on the opposite side of most of the existing reclamation infrastructure. Limitations to new treatment facilities include cost of real estate and availability, as competition for land around Lake Georgetown is significant.

## 1.3.1 Future Water Reclamation Facilities

Northlands WWTP will provide a treatment capacity of 1.5 mgd in the first phase, then 3 mgd in the next 10 years. The plant's Texas Pollutant Discharge Elimination System (TPDES) permit allows up to 3 mgd to be discharged from this plant. In the wastewater master plan, it was projected that Northlands WWTP will have a build-out capacity of 15.5 mgd in 2065. Three Forks WWTP, which is adjacent to the Pecan Branch WWTP, is planning to provide 10.5 mgd capacity by 2029 and 21.0 mgd for build-out in 2039. A permit for this plant is currently under review at the Texas Commission on Environmental Quality.

### 1.3.2 New Groundwater Supplies

To address the long-term demands of population growth in the water service area, the city is looking to partner with Edmonton Power Corporation (EPCOR) to secure additional water supply. The city has entered into a 2-year reservation agreement to negotiate a public–private partnership and a water supply agreement, which will provide a plan to deliver water from the Carrizo-Wilcox Aquifer in Robertson County. The partnership contemplates Georgetown receiving approximately 35 to 62 mgd of treated groundwater (39,399 to 70,000 acre-feet), with initial delivery by 2030.[1]

[1] City of Georgetown Utility Systems – Water. n.d. "Carrizo-Wilcox Aquifer Water Supply Project." Accessed January 21, 2024, https://gus.georgetown.org/water/where-does-georgetown-get-its-water/water-supply-project/

# 2.0 Reuse Terminology and Existing Regulations

## 2.1 Overview of Existing Regulations

Non-potable reuse water is treated wastewater (domestic, municipal, or industrial) that can be used for non-drinking water purposes; it is typically indicated by a purple pipe within a distribution system. In Texas, it can be further categorized under 30 TAC §210.32 into Type I and Type II:[2]

- Type I – Applications where reclaimed water may come into contact with the public, including but not limited to residential irrigation, public park irrigation, fire protection, irrigation of food crops, or toilet flushing.
- Type II – Applications where the public would not come in contact with the reclaimed water, including but not limited to irrigation of sod farms or remote locations, and irrigation of spaces in which public access can be restricted during times of irrigation, such as golf courses, sod farms, cemeteries, industrial complexes, and cooling tower makeup water.

Water quality requirements for Type I and Type II non-potable reuse applications are listed in **Table 2.1**. Sampling must be done twice per week for Type I reuse systems, and once per week for Type II.

**Table 2.1 Quality Standards for Using Reclaimed Water, 30 Texas Administrative Code §210.33**

| Type | $BOD_5$[1] | $CBOD_5$[2] | Turbidity | Fecal Coliform or *E. Coli*[3] | Fecal Coliform or *E. Coli*[4] | Enterococci[3] | Enterococci[4] | Sample Frequency |
|---|---|---|---|---|---|---|---|---|
| | mg/L | mg/L | NTU | CFU/ 100 mL | CFU/ 100 mL | CFU/ 100 mL | CFU/ 100 mL | Samples/ week |
| I | 5 | 5 | 3 | 20 | 75 | 4 | 9 | 2 |
| II (non-pond system) | 20 | 15 | N/A | 200 | 800 | 35 | 89 | 1 |
| II (pond system) | 30 | N/A | N/A | 200 | 800 | 35 | 89 | 1 |

Notes:
[1] Five-day Biochemical Oxygen Demand
[2] Carbonaceous Biochemical Oxygen Demand
[3] 30-day geometric mean
[4] Single-sample maximum

**Figure 2.1** illustrates the implementation of Type I and Type II non-potable reuse.

[2] Texas Administrative Code – Specific Uses of Reclaimed Water. Accessed November 06, 2023, https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=30&pt=1&ch=210&rl=32.

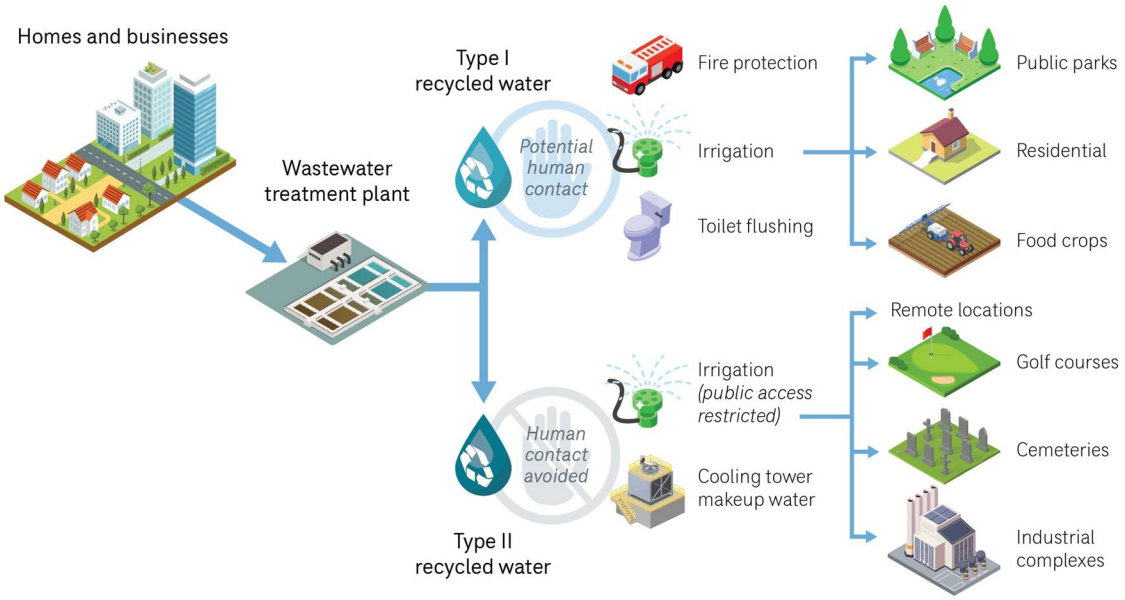


**Figure 2.1 Schematic of Non-Potable Reuse Process Flow**

Pros and cons of implementing or expanding a non-potable reuse system are highlighted in **Table 2.2**. Several non-potable projects will be discussed as options for the city as part of this report.

**Table 2.2 Non-Potable Reuse Pros and Cons**

| Category | Pros | Cons |
|---|---|---|
| Feasibility | There are many large water users that could utilize non-potable water and be "anchor" customers. | Can be a burden to install a new piping system, often alongside existing infrastructure. |
| Public Acceptance | There is a significant interest in non-potable water within the state in the past few years. | Potential risk of small, niche groups who may heavily oppose projects. |
| Regulatory Complexity | Non-potable reuse in Texas is well defined and has been regulated since 1997. | Moderate additional testing required to maintain compliance. |
| Relative Cost | Operation and maintenance costs are lower than other types of water reuse. | Routing purple pipe is expensive, especially within large, developed service areas.<br><br>Contracts with major users should be established to secure revenue and confirm demands. |
| Reliability | Effluent is continuously generated. | Relying on customers to use estimated amount, which could fluctuate with wet years and as businesses implement water conservation goals. |

## 2.1.1 Indirect Potable Reuse

Potable water reuse is the use of treated wastewater effluent for drinking water purposes. De-facto, or unintentional potable reuse, occurs when a community uses a drinking water source in which a fraction originates from the wastewater effluent of an upstream community. In Texas, de-facto reuse is practiced

and has been for decades. However, with the impending PFAS drinking water regulation, this could change the way de-factor reuse is viewed and implemented. Indirect potable reuse (IPR) is the intentional discharge of treated wastewater to an environmental buffer, such as a lake, river or tributary, or groundwater aquifer, before subsequent drinking water treatment and conveyance to customers (**Figure 2.2**). This can allow a city to augment their surface water or groundwater supplies. Several IPR options will be discussed for the city as part of this report.

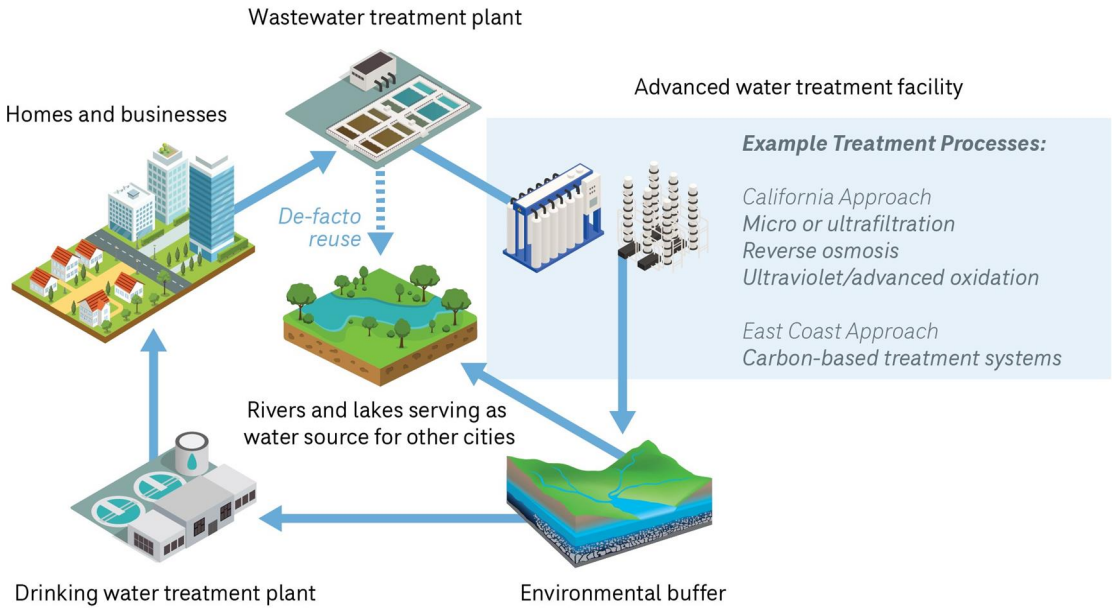


**Figure 2.2 Schematic of Indirect Potable Reuse Process Flow**

TCEQ does not have formal regulations for the practice of IPR, specifically. The permitting pathway for IPR in Texas is shown in **Figure 2.3**. Wastewater effluent is already being discharged to the San Gabriel River which flows into Lake Granger. The proposed Three Forks TPDES permit would increase the potential discharge into Lake Granger. To discharge effluent from an existing WWTP into Lake Georgetown, an amendment to the existing TPDES permit will first be required to add a second outfall location. For a new WWTP, the location can be written directly into the permit. The first step in this regulatory process is to have a preapplication meeting with TCEQ staff. Public notice will need to be sent to all property owners within the first mile downstream of the discharge point.

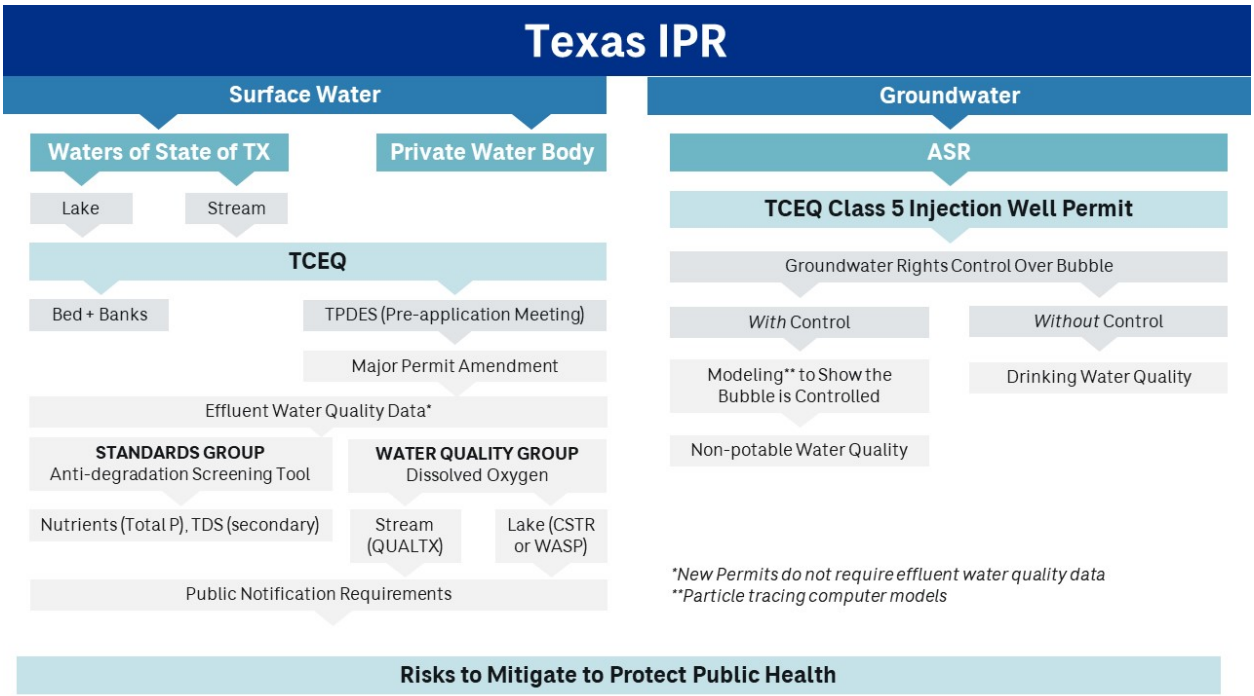


**Figure 2.3 Permitting Pathway for Indirect Potable Reuse in Texas**

**Table 2.3** highlights several pros and cons of an IPR system.

**Table 2.3 Indirect Potable Reuse Pros and Cons**

| Category | Pros | Cons |
|---|---|---|
| Feasibility | No need for a separate delivery system – just need to build the transmission and some targeted additional treatment. | Even if no regulation exists for certain constituents for discharge into drinking water sources, the city will have to address them in their drinking water facilities. |
| Public Acceptance | Public may be more accepting of potable reuse with an environmental buffer that is seen as "natural." | Potential risk for certain small groups who may heavily oppose projects. |
| Regulatory Complexity | IPR regulations in Texas are well-defined. | Will need to do additional testing and monitoring. |
| Relative Cost | Additional treatment and infrastructure, but low sampling and monitoring costs in comparison to direct potable reuse (DPR). Potentially less expensive than buying groundwater on the retail market. | High upfront investment, especially if addressing some contaminants before discharging into a drinking water source. |
| Other | Minimize the risk of not getting paid for that water in wet years or if facilities take drastic conservation efforts. | Potential recontamination by buffer water pollutants. |

## 2.1.2 Direct Potable Reuse

The State of Texas Health and Safety Code §341.0391 defines direct potable reuse (DPR) as "the introduction of treated reclaimed municipal wastewater as either directly into a public water system or into a raw water supply immediately before the water enters a drinking water treatment plant" (**Figure 2.4**).

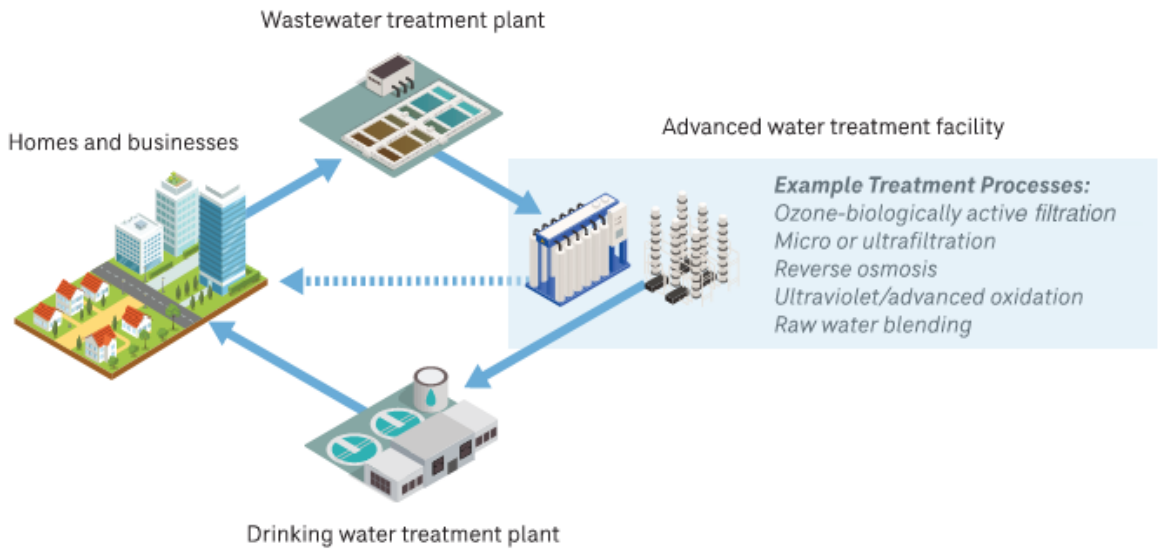


**Figure 2.4 Schematic of DPR Process Flow**

DPR requires higher level of treatment, which can come with higher construction, operating, and maintenance costs, but can provide cities with a reliable source of drinking water often without water rights issues or competition with neighboring cities.

Texas recently established DPR guidelines (November 2022) in which DPR facilities are approved on a case-by-case basis through a rule exception process. To receive an exemption from the requirements in 30 TAC, Chapter 290, Subchapter D, a water utility must demonstrate to TCEQ that their proposed process will not degrade the service or quality of water. Additionally, the proposed DPR system must meet federal and state finished drinking water standards. The approval process generally consists of the following steps:

1) Conduct wastewater effluent characterization.
2) Write a pilot testing protocol, conduct a pilot study, and prepare a report.
3) Submit plans and specifications for the DPR plant.
4) Construct the DPR facility.
5) Submit a disinfection study (e.g., Concentration-Time study) and test membrane performance parameters (e.g., direct integrity test parameters).

6) Submit a full-scale verification testing protocol.

7) Start-up/commission the plant and conduct verification testing.

8) Prepare and submit the final verification testing report.

More information about DPR regulations can be found at the following link: https://www.tceq.texas.gov/downloads/drinking-water/rg-634.pdf.

**Table 2.4** highlights some pros and cons associated with DPR.

**Table 2.4 Direct Potable Reuse Pros and Cons**

| Category | Pros | Cons |
|---|---|---|
| Feasibility | Does not require miles of new purple pipe. Can utilize existing drinking water distribution system. | More stringent treatment, sampling, monitoring, and reporting required. Where to discharge waste stream. |
| Public Acceptance | Big Spring and Wichita Falls demonstrated the public acceptance of DPR in Texas. | Negative media coverage can impact project feasibility. |
| Regulatory Complexity | There is established regulatory precedent for DPR in Texas (Big Spring, Wichita Falls, El Paso). The recently released 2022 DPR Guidelines strengthen and confirm the regulatory pathway. | Although DPR Guidelines formally exist, DPR is still approved on a case-by-case basis. |
| Relative Cost | DPR may become "cost comparable" with acquiring additional water sources from neighboring communities as water scarcity increases. | High upfront investment is required. Construction, operation, and maintenance costs are higher due to the higher levels of treatment and process monitoring required. |
| Reliability | Provides reliable source of drinking water without competition with neighboring cities or relying on surface water sources. | Extensive system monitoring required, from collection system monitoring through advanced treatment. |

### 2.1.3 On-Site/Decentralized Reuse

Decentralized wastewater treatment consists of a variety of approaches for collection, treatment, and reuse of wastewater for non-potable purposes in individual dwellings, industrial or institutional facilities, clusters of homes or businesses, and entire communities (**Figure 2.5**). There are many wastewater sources available within a building, including blackwater (from toilets, dishwashers, kitchen and utility sinks), greywater (from sinks, washing machines, and showers), stormwater, rainwater, air-conditioning condensate, and foundation drainage. Different treatment processes may be required, depending on the water source. For example, greywater can often be treated with artificial wetlands while blackwater requires both biological or chemical treatment and disinfection. Systems that discharge into water or onto soil surfaces require a TPDES or Texas Land Application Permit (TLAP) permit; however, alternative water, greywater, and combined reuse systems do not require permits if abiding by 30 TAC Chapter 210 Subchapter F. Recycled water can be used on-site for toilet flushing, clothes washing, irrigation, or in heating or cooling systems. No on-site uses are identified as part of this report, but the city may further investigate options if a large facility of interest is identified in the future.

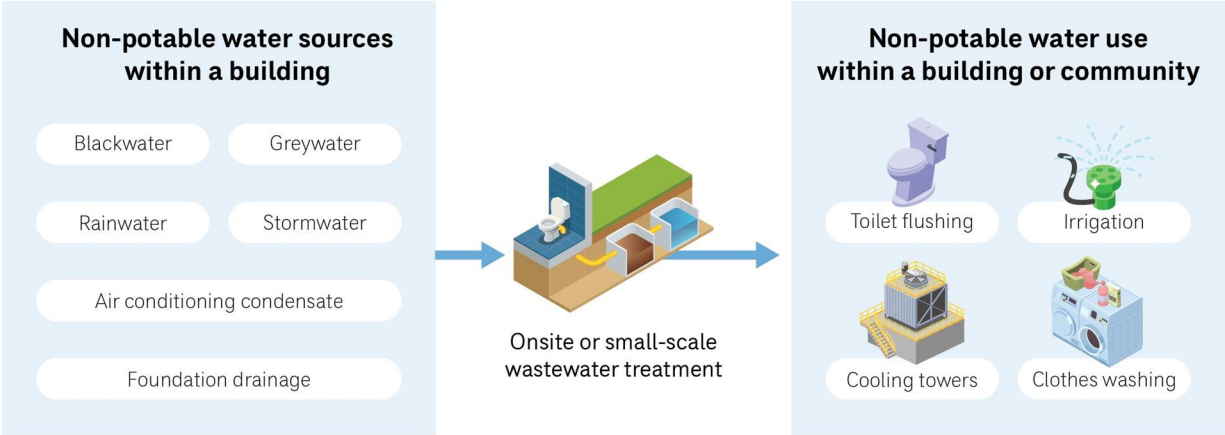


**Figure 2.5 Schematic of On-Site/Decentralized Use Process**

**Table 2.5** highlights pros and cons of implementing on-site or decentralized reuse.

**Table 2.5 On-site/Decentralized Reuse Pros and Cons**

| Category | Pros | Cons |
|---|---|---|
| Feasibility | Easier to implement because there are fewer parties involved. | Have to limit to a small number of systems in a sewer shed so the treatment brine does not impact the regular collection system. |
| Public Acceptance | Only impacting the people involved within the project. | |
| Regulatory Complexity | Some applications do not require TPDES or TLAP permits if complying with 30 TAC Chapter 210 Subchapter F. | |
| Relative Cost | Lower upfront investment. | |

| Category | Pros | Cons |
|---|---|---|
| Reliability | Can serve communities not easily reached by centralized systems. | Have to limit to a small number of systems in a sewer shed so the treatment brine does not impact the regular collection system. |

### 2.1.4 Aquifer Storage and Recovery (ASR)

According to Texas Water Code (TWC) 27.151, ASR is the injection of water into a geologic formation for the purpose of subsequent recovery and beneficial use by the project operator. ASR projects typically use confined deeper aquifers with sufficient permeability and storage characteristics to meet the needs of the project. Using the same well, water is injected and stored during times when water is available, and then subsequently recovered when needed. **Figure 2.6** provides a visual representation of a typical ASR project.

ASR projects are regulated under TCEQ's Underground Injection Control (UIC) Program as Class V wells. In 2015, House Bill 655 was passed, establishing TWC 27.151, ASR Projects, thereby enabling TCEQ to be the sole permitting agency (provided the volume of water recovered does not exceed the volume recharged).

One of the technical challenges for ASR implementation is ensuring the recharged water is not withdrawn by adjacent landowners (i.e., the water is lost to others). One approach is to own the land overlying the full extent of the recharged "bubble." This can be expensive, particularly when ASR systems are in urbanized locations; however, other forms of institutional control may be possible, and the land requirements for an ASR well are very small (little more than 1 acre).

No ASR projects are discussed for the city as part of this report because at this time, ASR is not allowed in Williamson County if the injection well transects the Edwards Aquifer. The target aquifer for ASR in the lower Trinity Aquifer formation is the Hosston which is below the Edwards Aquifer. Until the rules for transecting the Edwards Aquifer in Williamson County are changed, ASR is not a possibility. This should be revisited if the rules change in upcoming legislative sessions.

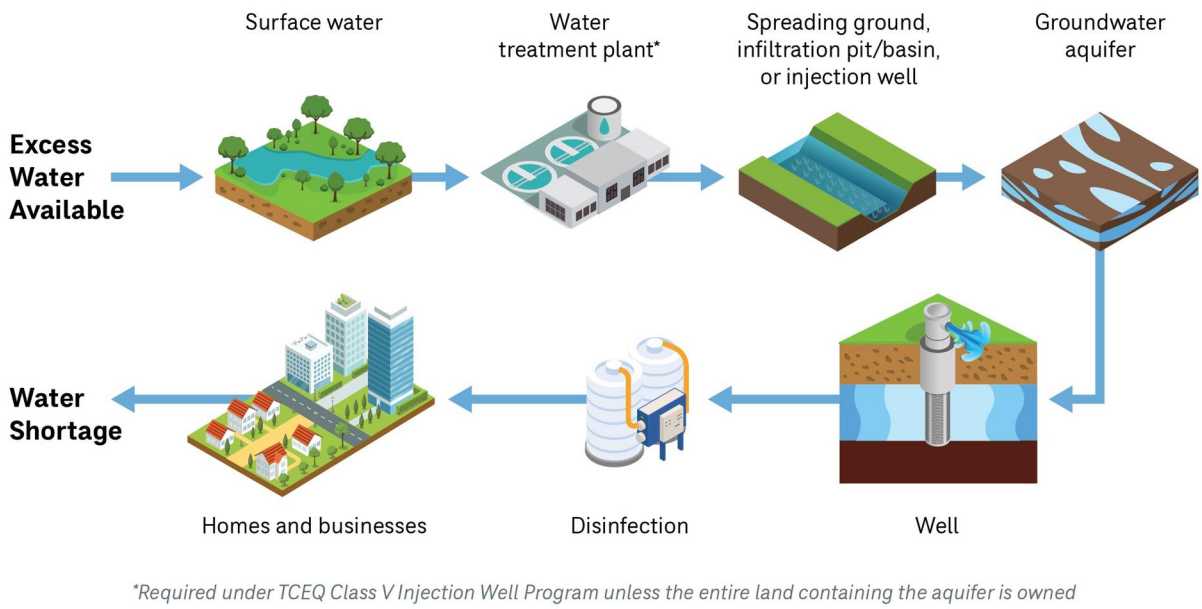


**Figure 2.6 Schematic of ASR Process Flow**

The pros and cons implementing ASR are outlined in **Table 2.6**.

**Table 2.6 Aquifer Storage Recovery Pros and Cons**

| Category | Pros | Cons |
|---|---|---|
| Feasibility | Can potentially store large volumes of water during low-demand periods. | Location is constrained by the hydrogeological setting. Within the Georgetown City limits, suitable aquifers are much thinner, only allowing smaller volumes to be stored and recovered. Potential exists for much larger ASR systems further east, but conveyance is required. |
| Public Acceptance | Less controversial than other water storage solutions, such as building new dams. | Risk of small opposition groups, as the city is close to the sensitive Edwards Aquifer. |
| Regulatory Complexity | Well-established practice. | The need to meet drinking water standards prior to injection and storage has not yet been established in Texas, but there is a risk of changing regulatory control as more stringent standards are applied. |
| Relative Cost | Reduced cost of transmission and distribution infrastructure. | Highly dependent on local geologic conditions. |
| Reliability | Less water lost to evaporation in comparison to surface water reservoirs. Can store large volumes of water during low-demand periods. | Potential for leeching of hazardous contaminants into the aquifer (mineral precipitation, mobilization of trace elements). |

# 3.0 Reuse Options

CDM Smith evaluated multiple non-potable and potable reuse alternatives. The most feasible were selected and are detailed within this section. Screening of alternatives is described in more detail in Section 4.

## 3.1 Overview

To secure the 22.3 mgd of reuse water targeted to supplement existing and future supplies, we evaluated several options with non-potable irrigation water that would build on the city's existing non-potable irrigation system. We then evaluated indirect and then DPR options. In the paragraphs below, we detail the development of potential supplies, demands for irrigation water and the potential supplies that could augment existing surface water and groundwater supplies through IPR or DPR. Prior to selecting any project, the City shall verify it has raw water resources to meet long term potable supply of the CCN and the costs of that supply versus a reclaimed project. Utilizing reclaimed water for indirect potable reuse may be the highest and best use to most cost effectively meet long term potable needs. Reclaimed irrigation uses should prioritize those that lower the City's potable demand and replace existing potable meters with non-potable meters.

## 3.2 Option Development

Five non-potable irrigation alternatives and four potable reuse (IPR/DPR) alternatives were identified as feasible options; each is described in the following subsections.

Some cost assumptions pertain to all alternatives and were developed with input from the city staff as well as CDM Smith's previous project cost experience. These parameters used for all alternatives are shown in **Table 3.1**.

**Table 3.1 Cost Assumptions Common to All Reuse Alternatives**

| Parameter | Cost Carried in Report Estimates |
|---|---|
| Easement acquisition | $30,000 per acre |
| Professional services – non-potable projects | 15% |
| Professional services – potable projects | 20% |
| Mobilization/demobilization | 5% |
| Contingency | 35% |
| Operation costs – non-potable projects | $0.50 per thousand gallons |
| Operation costs – conventional treatment projects | $1.50 per thousand gallons |
| Operation costs – advanced treatment projects | $3.00 per thousand gallons |

Where available, costs were utilized from both the Texas Water Development Board (TWDB) Uniform Costing Model (UNM) and the values used in the City of Georgetown Water System Master Plan. Detailed cost breakdowns are included in Appendix B.

### 3.2.1 Non-Potable Reuse Options

Many of the existing WWTPs produce effluent that already meets Type I or Type II non-potable reuse water quality standards. In **Table 3.2**, results highlighted in green comply with Type I standards and results highlighted in blue comply with Type II standards.

**Table 3.2 WWTP Effluent Water Quality Data**

| Parameter | Berry Creek Effluent | Cimarron Hills Reuse | Dove Springs Effluent | Pecan Branch Effluent | Pecan Branch Reuse | San Gabriel Effluent | San Gabriel Reuse |
|---|---|---|---|---|---|---|---|
| $BOD_5$ (mg/L) | 2.8 | 2.9 | 3.7 | 2.4 | – | 3.2 | – |
| $CBOD_5$ (mg/L) | 2.6 | 2.9 | 3.5 | 2.2 | 2.1 | 3 | 3.1 |
| Turbidity (NTU) | 9.4 | – | – | – | 0.9 | – | 1.4 |
| Fecal coliform of *E. coli** (CFU/100 mL) | 132† | – | 2† | 5.2† | 7.9† | 10.2† | 4.8† |
| Fecal coliform of *E. coli*** (CFU/100 mL) | 980† | – | 113† | 721† | 875† | 177† | 561† |
| Enterococci* (CFU/100 mL) | – | – | – | – | – | – | – |
| Enterococci** (CFU/100 mL) | – | – | – | – | – | – | – |

Unless specified otherwise, data is from the 2022 DMR data set. *30-day average, **Single-sample maximum, †From 2016–2018 DMR Data

A methodology was developed to estimate the city's demands for non-potable irrigation water, both existing and into the future. In the 2022 water billing data, demands for billing code "Irrigation" identify water that is used for irrigation and is metered through a dedicated irrigation water meter. This billing code designation provides an estimate for non-potable irrigation water use demand, or potential reclaimed water users, which would offset potable water demands currently required from the system. Another factor considered was the location and sizing of existing recycled water infrastructure, as the city does have an existing reclaimed water system. Relevant data were spatially mapped in a geographic information system (GIS) format, and large users were identified and grouped into areas. These areas were discussed and confirmed with the city as having the highest potential for non-potable irrigation water demand and are presented in the paragraphs below.

#### 3.2.1.1 Three Forks WWTP to Lake WTP Elevated Storage Alternative

The Three Forks – Lake WTP Alternative involves installing a new reclaimed waterline (from the Pecan Branch WWTP/Three Forks WWTP) to convey treated effluent to a new elevated storage tank near Lake WTP for Type I non-potable reuse applications. Flows would be maintained to Sun City through the existing pump station, while a new pump station and existing storage tank would send flows to the new elevated storage tank near Lake WTP. A valve would be installed at the pump station to isolate flows from Sun City, as needed.

**Figure 3.1** shows a schematic of the proposed system improvements.

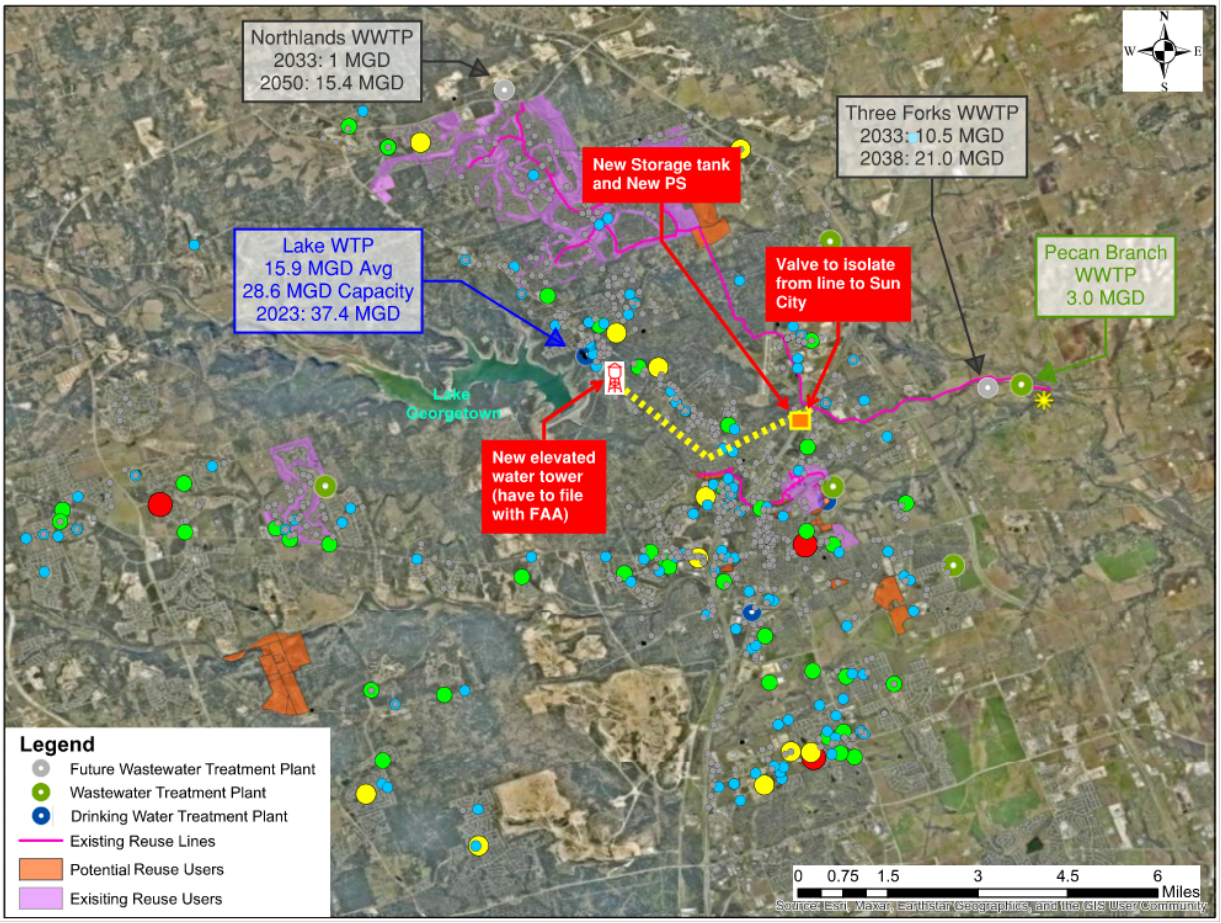


**Figure 3.1 Three Forks WWTP to Lake WTP Elevated Storage Alternative Schematic**

Water stored in the proposed Lake WTP elevated storage tank can be used for irrigation purposes without additional treatment. It is recommended to prioritize the largest consumers when installing purple pipes.

This alternative also considers future potable reuse of potable irrigation that can be converted. When needed, advanced treatment processes can be installed at Lake WTP to treat the effluent to DPR standards. Treated DPR water could then be blended with treated water from conventional treatment process at Lake WTP to augment potable supply.

A summary of costs associated with this non-potable alternative is shown in **Table 3.3**, which assumes a 100 horsepower (hp) booster pump station at Three Forks WWTP, and a 200 hp booster pump station and ground storage tank near the airport.

**Table 3.3 Three Forks WWTP to Lake WTP Elevated Storage Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 2 mgd | $25.5 Million | $365,000 | $3.30/kgal |

### 3.2.1.2 San Gabriel WWTP to Lake WTP Elevated Storage Alternative

The San Gabriel – Lake WTP Alternative involves sending water from San Gabriel WWTP to a new elevated storage tank at Lake WTP for Type I non-potable reuse applications. This alternative avoids diverting flow from the existing Pecan Branch reclaimed waterline.

This alternative also considers future potable reuse. When needed, advanced treatment processes can be installed at Lake WTP to treat the effluent to DPR standards. Treated DPR water could then be blended with treated water from the conventional treatment process at Lake WTP to augment potable supply.

**Figure 3.2** shows a schematic of the proposed system improvements.

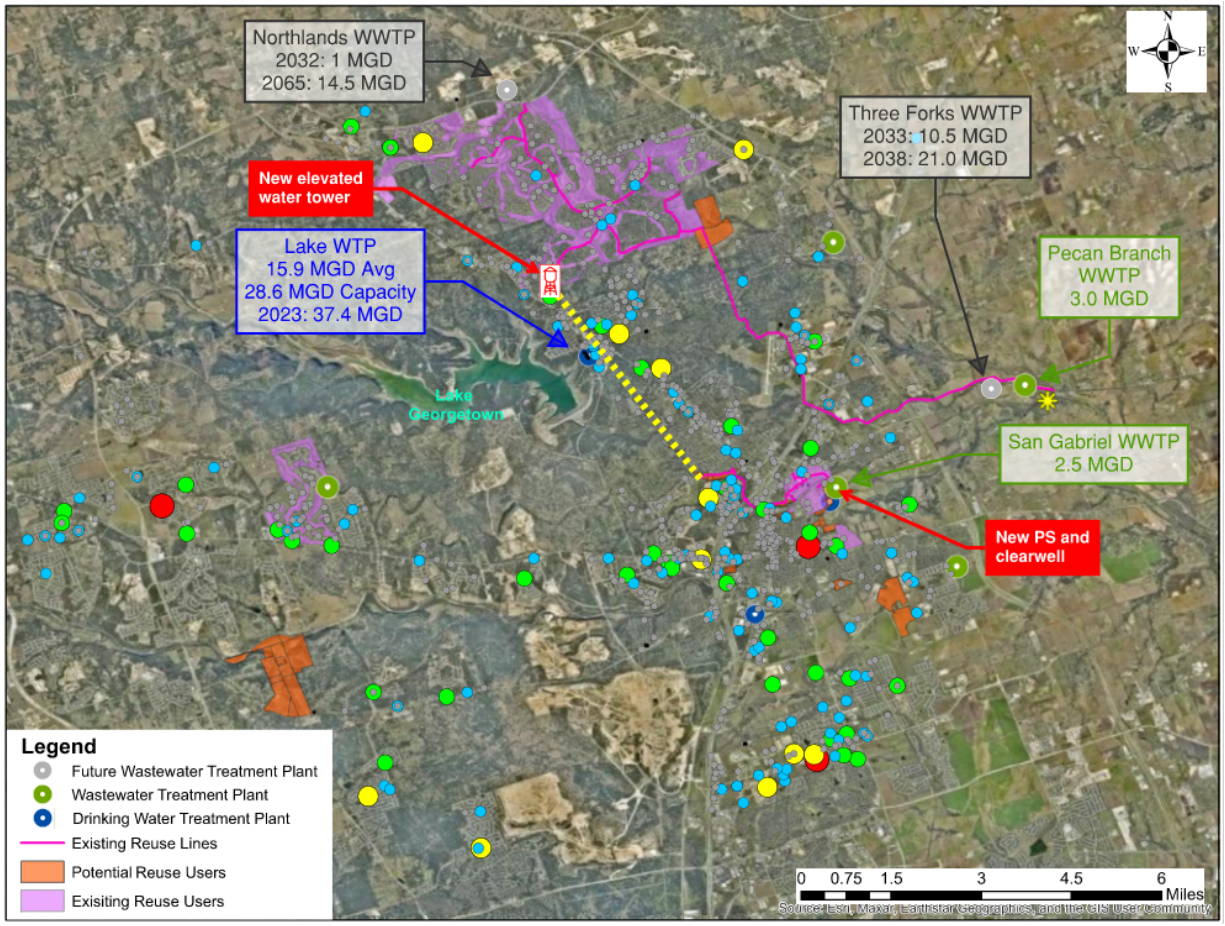


**Figure 3.2 San Gabriel WWTP to Lake WTP Elevated Storage Alternative Schematic**

A summary of costs associated with this non-potable alternative is shown in **Table 3.4**, which assumes a 0.5 mg clearwell and a 50 hp booster pump station at San Gabriel WWTP and a 0.5 mg elevated storage tank (EST) near Lake WTP.

**Table 3.4 San Gabriel WWTP to Lake WTP Elevated Storage Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 0.5 mgd | $21.8 Million | $91,250 | $10.10/kgal |

### 3.2.1.3 Northlands WWTP Elevated Storage Alternative

The Northlands WWTP Storage Alternative proposes building a new elevated water storage tank near the future Northlands WWTP (**Figure 3.3**). Water stored in this tank can be used to satisfy irrigation demands for two new customers located west of the facility. Additionally, this project would require site improvements (e.g., civil and piping modifications) to the airport pump station.

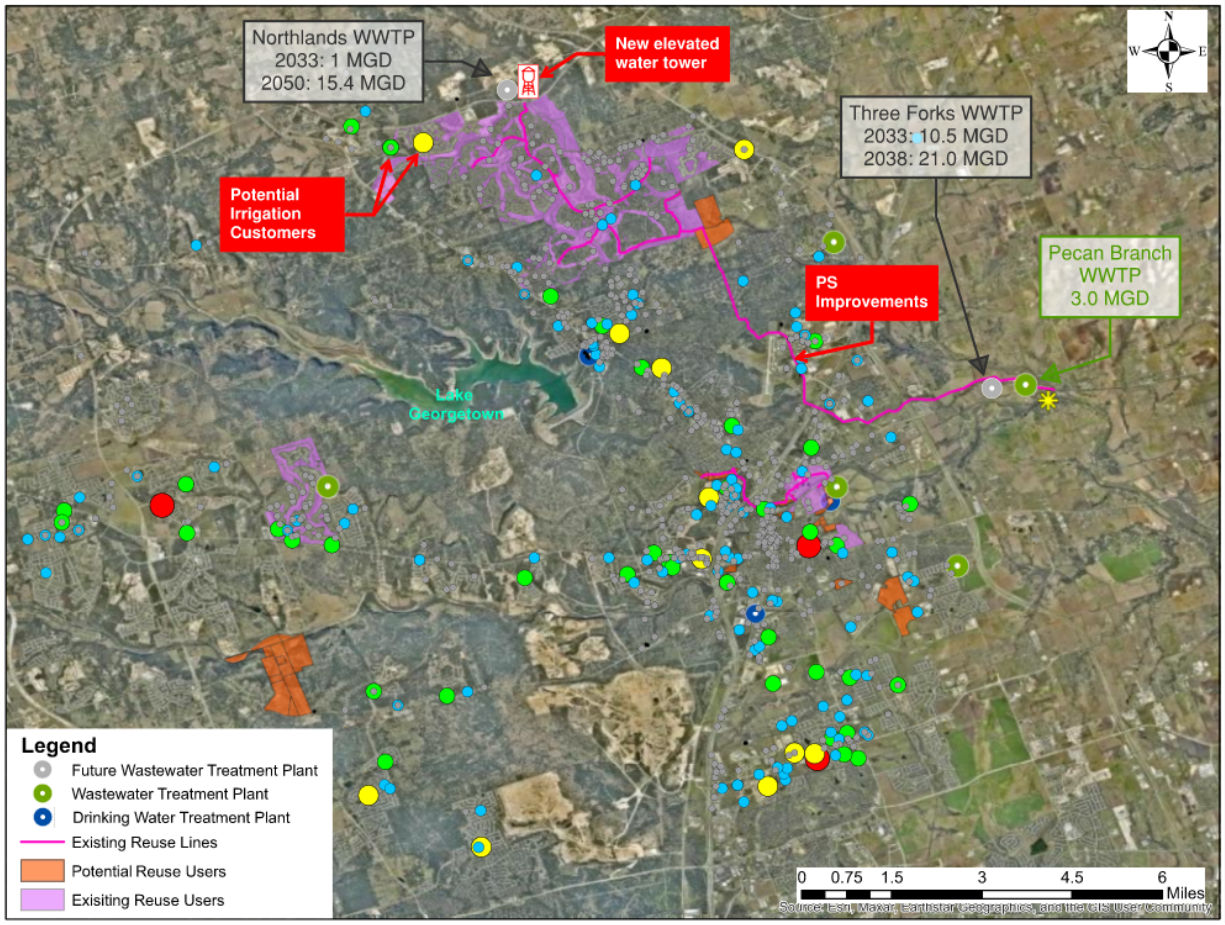


**Figure 3.3 Northlands WWTP Elevated Storage Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.5**, which assumes a 0.5 mg clearwell, additional yard piping, and a new 0.5 mg EST at Northlands WWTP, in addition to booster pump station improvements (50 hp) at the airport pump station. This alternative would only remove two potable customers from the potable system.

**Table 3.5 Northlands WWTP Elevated Storage Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 0.5 mgd | $10.3 Million | $91,250 | $5.03/kgal |

### 3.2.1.4 Dove Springs WWTP to South Alternative

The Dove Springs – South Alternative involves conveying effluent flows from the Dove Springs WWTP to serve large-demand consumers located south of the plant. This scenario requires adding filters at Dove

Springs to meet Type I non-potable reuse standards. It also requires building a new pump station at Dove Springs WWTP and a new elevated water tower within the community south of the plant, as shown in **Figure 3.4**.

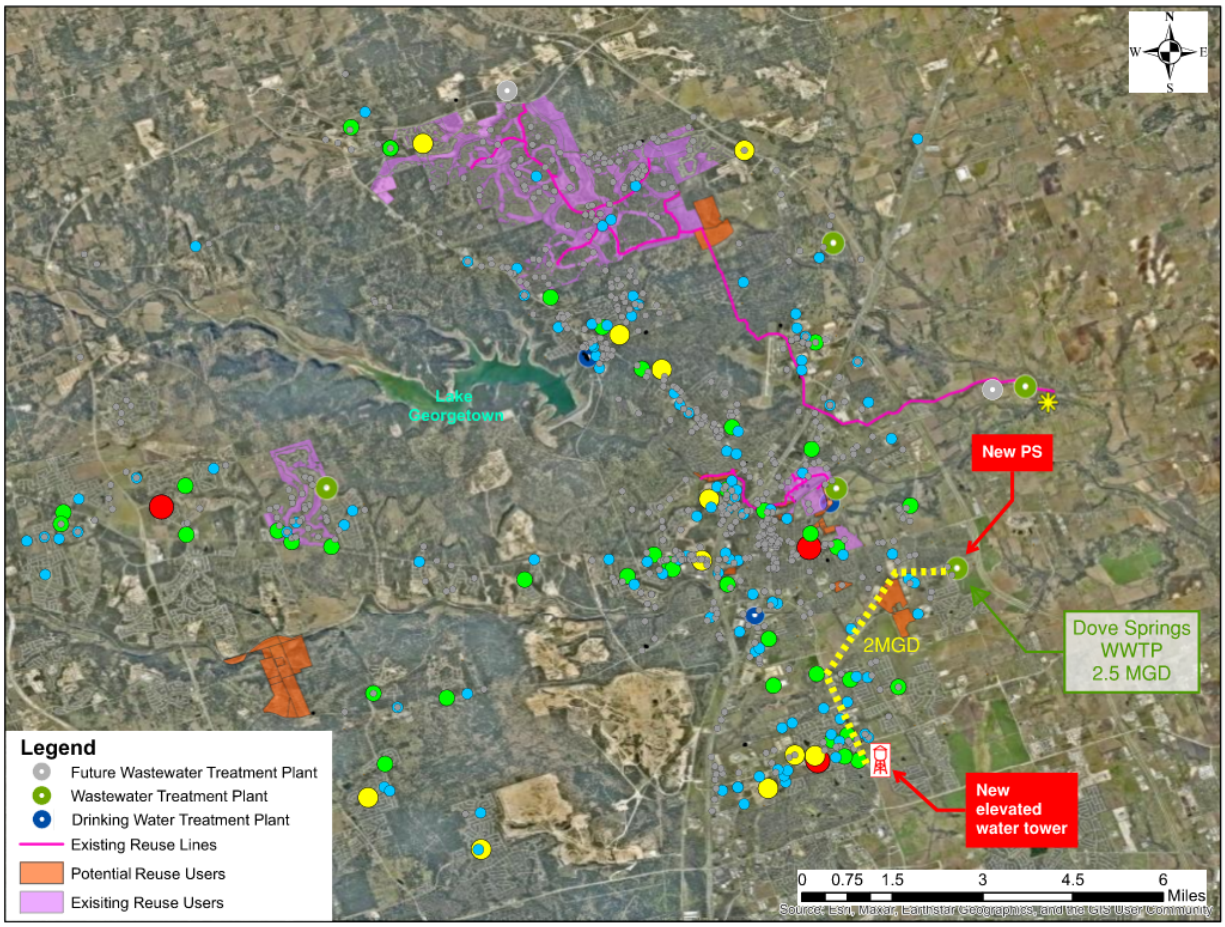


**Figure 3.4 Dove Springs WWTP to South Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.6** which assumes a new 1 mg clearwell, 100 hp booster pump station, installation of effluent filters, and additional yard piping at Dove Spring WWTP. It also assumes a new 0.5 mg EST near the Teravista community.

**Table 3.6 Dove Springs WWTP to South Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 1.0 mgd | $15.3 Million | $182,500 | $3.87/kgal |

### 3.2.1.5 Dove Springs WWTP to West Alternative

The Dove Springs – West Alternative involves conveying effluent from the Dove Springs WWTP westward to the area south of Lake Georgetown. This would involve installing two new elevated water towers for additional storage as well as a new booster pump station with a new ground storage tank.

**Figure 3.5** shows a schematic of the proposed system improvements.

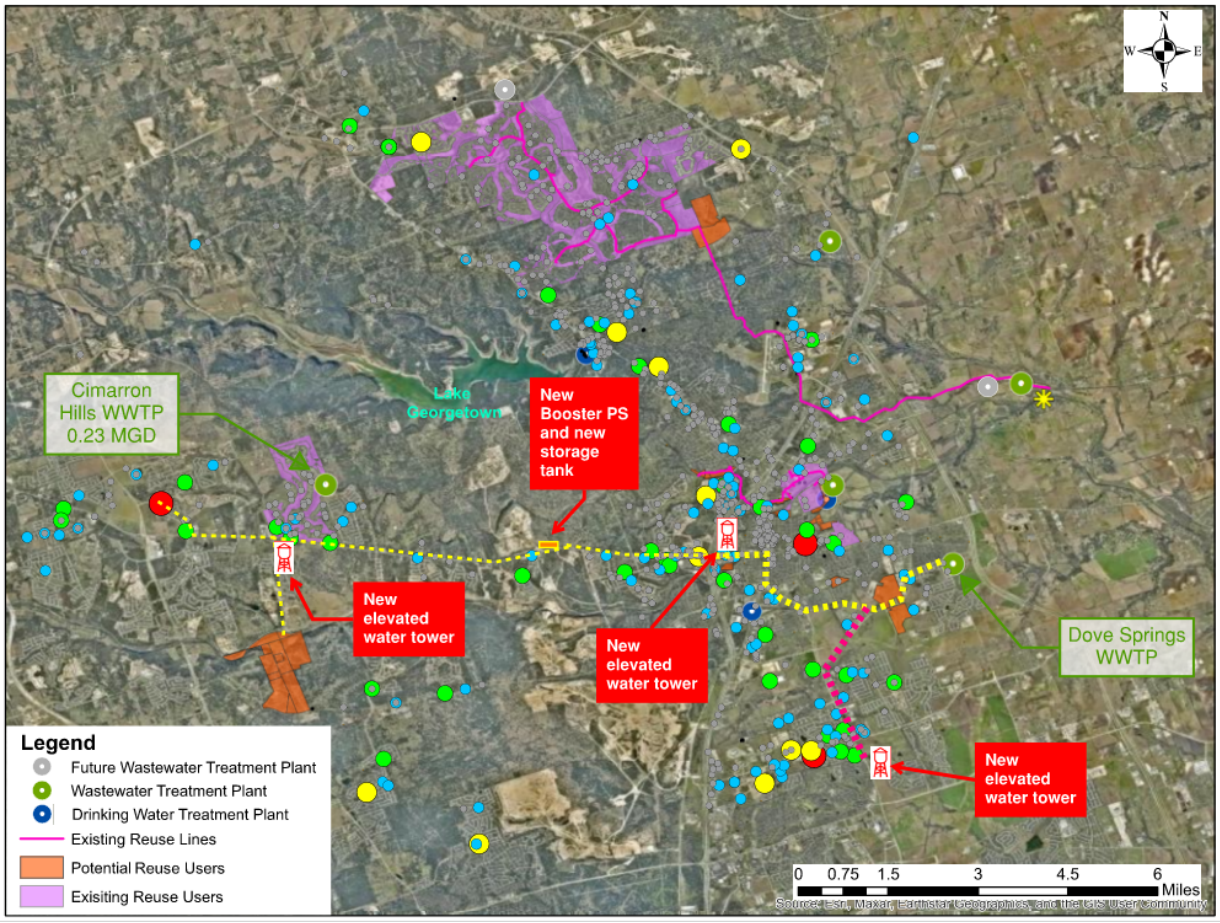


**Figure 3.5 Dove Springs WWTP to West Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.7**, which assumes a new 1.5 mg clearwell, 200 hp booster pump station, installation of effluent filters, and additional yard piping at Dove Spring WWTP. It also assumes a new 300 hp booster pump station with a new 0.5 mg ground storage tank, and two new 1.5 mg ESTs.

**Table 3.7 Dove Springs WWTP to West Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 1.5 mgd | $33.5 Million | $273,750 | $5.41/kgal |

## 3.2.2 Potable Reuse Options

The following sections present four options for implementing potable reuse to augment water supply and meet future demands. Both IPR and DPR were considered because there is a clear regulatory pathway for both within Texas.

### 3.2.2.1 IPR Options

*IPR to Lake Granger Alternative*

In this alternative, up to 21 mgd of treated effluent from the future Three Forks and Northlands WWTPs and excess flows from Pecan Branch, San Gabriel and Dove Springs WWTPs would be conveyed to Lake

Granger using the San Gabriel River. Currently the Brazos River authority has prior return flow rights to Pecan Branch, San Gabriel , and Dove Springs WWTP's. The BRA does not have return flow rights to Northlands and Three Forks WWTP's. Making these two plants ideal for indirect potable reuse and the most efficient use of existing potable infrastructure. To maintain ownership of the water discharged into the San Gabriel River, a bed and banks permit is required. From there, it would be treated by the East Williamson County (EWC) WTP and then pumped to Circleville (where it would be stored in a new ground storage tank until it is pumped and blended for distribution). The city has plans to install a new water transmission main north of Lake Granger that could be used to convey this water toward the main city distribution system. **Figure 3.6** depicts a process flow for this alternative.

This option, as opposed to the non-potable options listed previously in this report, would allow the city to retain the rights of water previously purchased to supplement the potable water demands of the growing population, rather than relying on irrigation alone. This option should be heavily considered as the cost of new potable water from retail purveyors is expected to be exponentially more expensive. This option would also take advantage of existing potable water distribution piping.

**Figure 3.6 IPR to Lake Granger Alternative Process Flow Diagram**

Lake Granger is more than 15 miles from the bulk of the city water demands and existing distribution system; however, by utilizing a bed and banks permit, significant conveyance costs can be avoided. Additionally, blending flows with new regional groundwater will also allow for project efficiency. **Figure 3.7** presents a map and schematic of this option. Pairing with EWC to treat the water near Circleville will allow for project and operational efficiency, as a larger treatment plant uses fewer resources and operators on a per-gallon-treated basis.

Note that return flows remain fairly constant but uncontrolled flows into Lake Granger vary significantly throughout the year so there are periods of time when the majority of the flows into the Lake will be returned into the City's use. An estimated percentage is summarized for each of the expected WWTP phased flows as a figure in Appendix F.

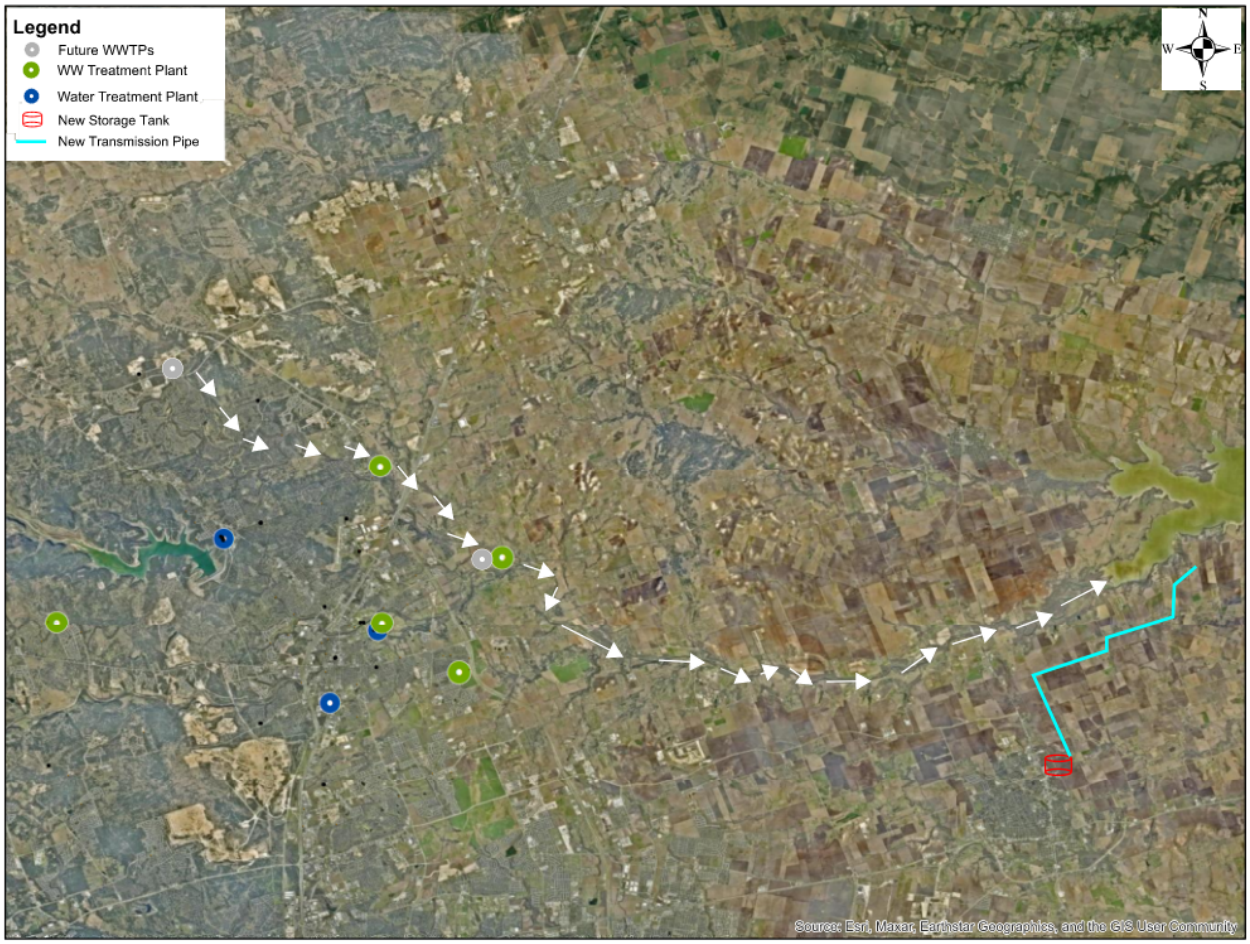


**Figure 3.7 IPR to Lake Granger Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.8**, which assumes costing on two phases, based on the growth estimations and permitting of the Three Forks WWTP. The first phase includes bed and banks permitting, a new 4 mg ground storage tank at Circleville, a 36-inch line installation from Circleville to the estimated location of the new ground water line, and a 200 hp booster pump station, in addition to a pro-rata expansion cost shared with EWC for 10.5 mgd. The EWC expansion opportunity would occur after 2030; however approximately 4 mgd of off-peak water might be available occasionally in 2030. In the second phase, the pump station would be replaced with a 700 HP pump station and the pro-rata cost is added for an additional 10.5 mgd, for a total of 21 mgd. The cost shown in the table is for the summation of the two phases.

**Table 3.8 IPR to Lake Granger Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 21 mgd[1] | $317.5 Million | $3.8 Million | $4.29/kgal |

Notes:
[1] 21 mgd is in year 2050.

*Northlands WWTP Advanced Treatment Alternative – 15.4 mgd*

This alternative proposes implementing advanced treatment at the future Northlands WWTP for IPR applications. **Figure 3.8** shows the proposed process flow diagram in which Northlands WWTP effluent (12 mgd) would be sent through a per- and polyfluoroalkyl substances (PFAS) removal facility utilizing granular activated carbon (GAC) before discharge into Lake Georgetown. Through the PFAS removal process, other contaminants would be removed too, but PFAS is the compound with known upcoming regulations. From there, the Lake WTP takes source water for treatment and distribution to the city.

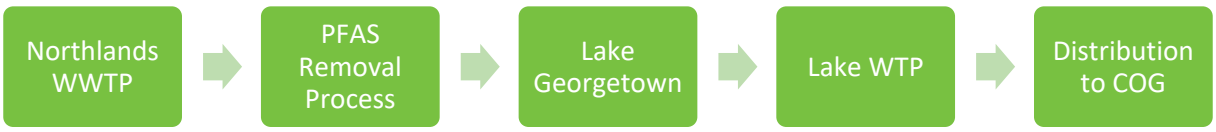


**Figure 3.8 Northlands WWTP Advanced Treatment Alternative Process Flow Diagram**

Though there are no regulations currently in Texas for PFAS levels in WWTP effluent, new regulations for PFAS in drinking water will take effect soon. The city already has plans to modify existing WTPs, as required, to meet these regulations, but there are other cities that use Lake Georgetown as a drinking water source. Before effluent is discharged into Lake Georgetown, a TPDES permit from TCEQ must be acquired. Based on preliminary water quality modeling, we believe a discharge into Lake Georgetown could be permitted based on the state's stream water quality standards. Adding a PFAS removal process would reduce risk of those utilities contesting the city TPDES permit application, or even taking legal action, whether merited or not.

As part of the permitting process for a new discharge into Lake Georgetown, TCEQ requires characterization of the potential impacts of this activity on lake water quality; specifically, the impacts of effluent biological oxygen demand (BOD) loads on localized dissolved oxygen concentrations. Because of limited water quality data pertaining to the lake, a full calibration of the water quality model was not undertaken as part of this exercise. Rather, the model was parameterized following published TCEQ standard operating procedures (SOPs) (Rudolph 2018) and, based on published and default parameter values, with minor adjustments was made to better match the limited water quality data. Because of the lack of calibration, the model is best suited for assessing the relative response of the lake to the discharge only.

Four WWTP discharge scenarios were simulated with the constructed model:

- Scenario 1 – 20 mgd total discharge with effluent concentrations of 5 and 1 mg/L for CBOD5 and NH4, respectively
- Scenario 2 – 20 mgd total discharge with effluent concentrations of 5 and 2 mg/L for CBOD5 and NH4, respectively
- Scenario 3 – 40 mgd total discharge with effluent concentrations of 5 and 1 mg/L for CBOD5 and NH4, respectively
- Scenario 4 – 40 mgd total discharge with effluent concentrations of 5 and 2 mg/L for CBOD5 and $NH_4$, respectively

Modeling results indicated that, under all four scenarios, the maximum allowable dissolved oxygen depletion of 1.0 mg/L will not be exceeded. In other words, assuming an ambient DO concentration of 6 mg/L, the relevant water quality standard (5.0 mg/L) will not be violated, as modeled. The full water quality report can be found in **Appendix A**.

**Figure 3.9 Northlands WWTP Advanced Treatment Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.9**, which assumes a 1000 hp booster pump station, a 4 mg ground storage tank, and a 15.4 mgd PFAS GAC polishing process.

**Table 3.9 Northlands WWTP Advanced Treatment Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 15.4 mgd | $108.7 Million | $11.4 Million | $3.59/kgal |

### 3.2.2.2 DPR Options

*DPR at Northlands WWTP Alternative – 12.3 mgd*

In this alternative, a 15.4 mgd advanced water treatment facility would be built near the future Northlands WWTP to implement DPR, and a 20 percent loss is considered, for a potable demand offset of 12.3 mgd. **Figure 3.10** shows the proposed process flow diagram. Effluent from the Northlands WWTP would enter the advanced water treatment facility where it would be purified using reverse osmosis

(RO) and ultraviolet disinfection/ advanced oxidation (UV/AOP) processes. Typically, either micro- or ultra-filtration (MF/UF) is required ahead of the RO to protect the RO membranes from fouling. However, if a membrane bioreactor (MBR) is implemented at the Northlands WWTP, an additional MF or UF process is not required ahead of the RO. Effluent from the 12 mgd advanced water treatment facility would be blended with potable water from other city WTPs at the Daniel above-ground storage tank before distribution.

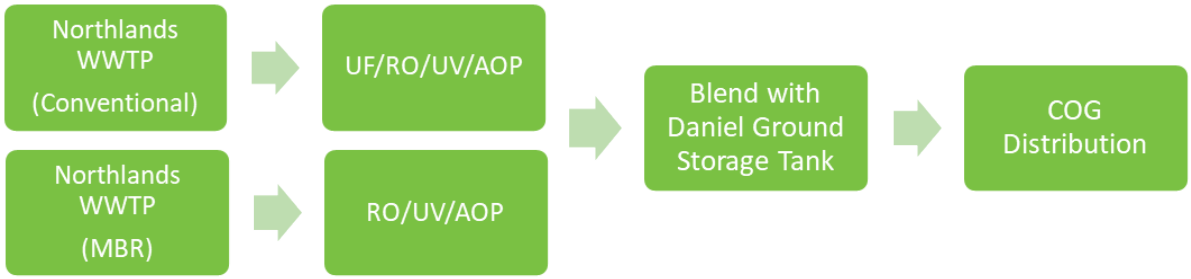


**Figure 3.10 DPR at Northlands WWTP Alternative Process Flow Diagram**

This alternative minimizes conveyance costs owing to its location in reference to the expected growth to the northwest of Lake Georgetown. DPR requires significantly more frequent sampling, monitoring, and reporting to protect public safety. **Figure 3.11** shows the schematic layout proposed. There is a benefit to adding DPR to a new facility versus retrofitting an old WWTP because Supervisory Control and Data Acquisition (SCADA) and other operational and process monitoring designs could facilitate the process from the beginning if designed with DPR in mind.

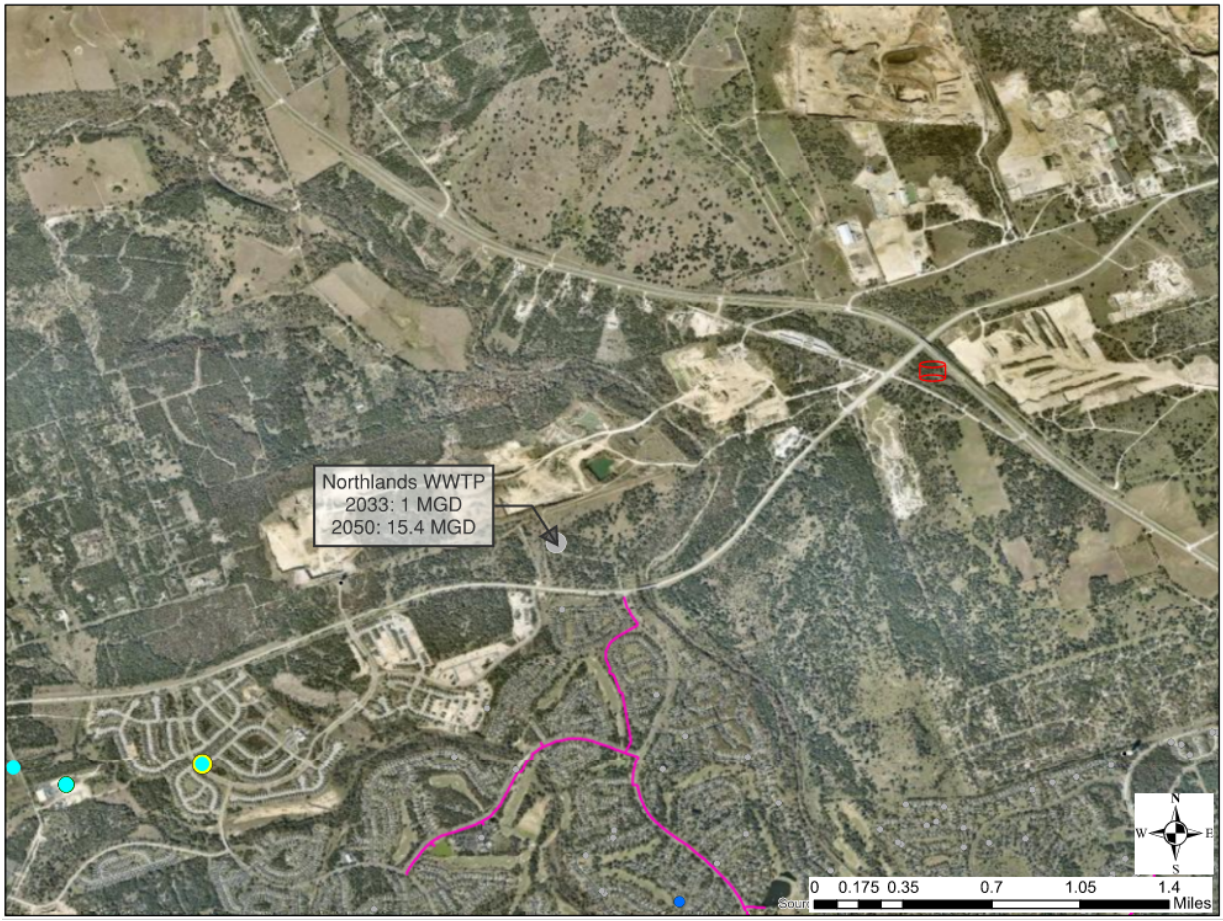


**Figure 3.11 DPR at Northlands WWTP Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.10**, which assumes a new 15.4 mgd UF/RO/UV/AOP facility, 400 hp booster pump station, a 4 mg clearwell, and RO concentrate disposal (pump station, transmission line, and injection well outside of aquifer recharge limits). The cost shown assumes the flow will be send east toward the new pump station near Rattlesnake Rd., but another option to consider is to pump it west into Andice and blend it at the Daniel storage tank.

**Table 3.10 DPR at Northlands WWTP Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 12.3 mgd | $192.2 Million | $13.5 Million | $6.43/kgal |

### *DPR at Three Forks WWTP Alternative – 16.8 mgd*

In this alternative, a 21 mgd advanced water treatment facility would be built near the future Three Forks WWTP to implement DPR. Assuming a 20% system loss to membrane concentrate, the potable demand offset would be approximately 16.8 mgd. **Figure 3.12** shows the proposed process flow diagram. Effluent from the Three Forks WWTP would enter the advanced water treatment facility where it would be purified with RO and UV/AOP processes. Typically, either MF or UF is required ahead of the RO to protect the RO membranes from fouling. However, if a membrane bioreactor (MBR) is implemented at the Three Forks WWTP, an additional filtration process is not required ahead of the RO

process. Concentrate waste from the RO treatment process cannot be injected for disposal through the Edwards Aquifer in Williamson County. Effluent from the 21 mgd advanced water treatment facility would be blended with other treated drinking water before distribution.

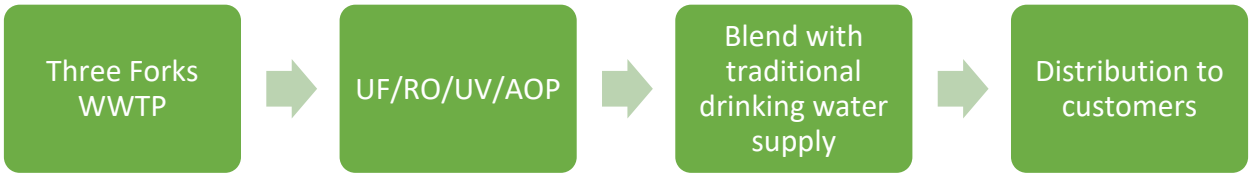


**Figure 3.12 DPR at Three Forks WWTP Alternative Process Flow Diagram**

Because of the location of the Three Forks WWTP and anticipated areas of growth and water demands, significant conveyance is required for this alternative. There are two new possible groundwater transmission pipelines in the planning phase that could be utilized. **Figure 3.13** shows the location of these transmission lines. Newly treated DPR water could be blended with the new groundwater supply from the north at a new storage tank near State Highway 195 and Ronald Reagan Boulevard, or it can be blended with new water supply to the south near SH 130 and Chandler Road.

**Figure 3.13 DPR at Three Forks Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 3.11**, which assumes a new 21 mgd UF/RO/UV/AOP disinfection facility, a 1,000 hp booster pump station and 4 mg clearwell at Three Forks WWTP, and RO concentrate disposal (pump station, transmission line, and injection well outside of aquifer recharge limits).

**Table 3.11 DPR at Three Forks WWTP Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost | Unit Water Cost |
|---|---|---|---|
| 16.8 mgd | $294.3 Million | $18.4 Million | $6.85/kgal |

# 4.0 Reuse Options for Evaluation

There is unlikely any singular option will satisfy the required potable water demand offset; therefore, a combination of projects will need to be recommended and progressed. Because of the timing required for new facility design and construction, proper phasing will also be critical for the city planning process. In this section, the non-potable and potable water reuse alternatives are compared.

## 4.1 Screening of Reuse Options

Although only the alternatives discussed in Section 3 were developed and costed, many alternatives were originated and screened out based on cost and non-cost factors. The general process for evaluation criteria is graphically shown below in **Figure 4.1**.

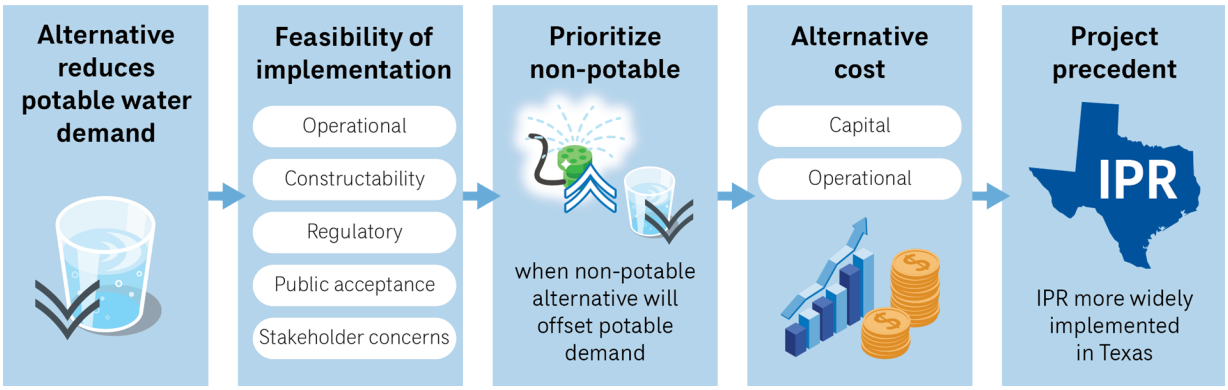


**Figure 4.1 Reuse Alternative Screening Criteria**

The first criteria for any alternative was its ability to offset potable water demand. If an alternative could not do this, it was not further developed as part of this effort. Next, several parameters determined the alternative's ability to be implemented. From an operational and constructability perspective, the technology must exist and be well established, as public safety comes first. From a regulatory perspective, the alternative must be legal, and paths with well-established regulation and historical success were prioritized over alternatives that carried a lot of regulatory risks and unknowns. For example, options that sent wastewater effluent into Lake Georgetown without PFAS removal would not be considered because of the known upcoming PFAS regulation changes to drinking water since Lake Georgetown currently serves as a main raw water source for various communities but may be considered in the future. Public acceptance must be considered since it can historically make a project succeed or fail almost single-handedly. The last non-cost item is stakeholder concerns that have been voiced by the city about expected areas of growth, neighbor relations, and preferences. Based on those feasibility parameters, non-potable project were given priority where capital and operational costs allowed, then IPR, and then DPR.

**Table 4.1** summarizes the alternatives discussed for utilizing reclaimed water to augment current supplies. NP signifies non-potable reuse. Table 4.1 includes the potential water supply that could be used to augment existing supplies and includes the estimated cost per 1,000 gallons for capital and operation costs for each alternative. For comparison, new groundwater is expected to cost between

$6.00 to $9.00 per thousand gallons in 2030. The projects listed in **Table 4.1** have not been selected or ranked at this time and are only a list of potential projects.

**Table 4.1 Water Reuse Alternatives Summary and Discussion**

| Alternative | Reuse Type | New Water Volume | Estimated Cost per kgal | Discussion |
|---|---|---|---|---|
| Three Forks WWTP to Lake WTP Elevated Storage | NP | 2 mgd | $3.30 | Given this option alone provides only 2 mgd of new water, it may be more cost-effective to invest in a potable reuse alternative utilizing Three Forks effluent. |
| San Gabriel WWTP to Lake WTP Elevated Storage | NP | 0.5 mgd | $10.10 | This new reclaimed water supply would not be utilized in either of the potable alternatives identified, so could be a separate NP project. Construction of new pipeline through the downtown area may be complicated. |
| Northlands WWTP Elevated Storage | NP | 0.5 mgd | $5.03 | Given this option alone provides only 2 mgd of new water, it may be more cost-effective to invest in a potable reuse alternative utilizing Northlands effluent. Additionally, there were few existing potential customers in this area, so there is a risk of not being able to sell the full 2 mgd consistently. |
| Dove Springs WWTP to South | NP | 1.5 mgd | $3.87 | This new reclaimed water supply would not be utilized in either of the potable alternatives identified, so could be a separate NP project. There were many potential customers identified in this area, making it likely that 3 mgd could be utilized. The city may want to start discussions with individual potential customers to understand water quality and quantity demands. Contracts are recommended to minimize the risk of the city not being able to sell enough if demands are reduced (wet year, conservation, etc.). |
| Dove Springs WWTP to West | NP | 1.5 mgd | $5.41 | This new reclaimed water supply would not be utilized in either of the potable alternatives identified, so could be a separate NP project. There were many potential customers identified in this area, making it likely that 5 mgd could be utilized. The city may want to start discussions with individual potential customers to understand water quality and quantity demands. Contracts are highly recommended to minimize the risk of the city not being able to sell enough if demands are reduced (wet year, conservation, etc.). Though this alternative requires significant conveyance investment, this area is not expected to be as congested and may have existing pipe that can be utilized. |
| WWTP IPR to Lake Granger | IPR | 21 mgd | $4.29 | Though IPR is more costly than non-potable reuse projects on a per gallon basis, this alternative reliably utilizes much higher flows of up to 20 mgd, given that demand is constant. This alternative provides the benefit of retaining the water rights, while also sharing the cost of drinking water treatment, including access to operators. The city could also consider storing some of the water during low-demand season into an aquifer for usage during high-demand period. This augmentation project cannot begin until the Three Forks and Northlands WWTPs have been commissioned. |
| Northlands WWTP IPR to | IPR | 15.4 mgd | $3.59 | This alternative does not solve immediate water supply needs because Northlands build-out is not anticipated |

| Alternative | Reuse Type | New Water Volume | Estimated Cost per kgal | Discussion |
|---|---|---|---|---|
| Lake Georgetown | | | | until 2050. However, this is a very cost-effective option that would provide flexibility for the city and has lower monitoring and testing complexity than implementing DPR at Northlands WWTP. It also allows for an easy transition to future DPR, if required. Technology may improve for GAC and PFAS removal methods by the time this option becomes an available alternative. |
| Northlands WWTP DPR | DPR | 12.3 mgd | $6.43 | Though operational and maintenance costs are high, implementing DPR at Northlands provides the most reliable water from a water rights perspective, since the city would not be dependent on other entities for this portion of their water supply. There is an economy of scale as well, and as DPR is more on the forefront of our industry, those operational and maintenance costs may decrease with time. |
| Three Forks WWTP DPR | DPR | 16.8 mgd | $6.85 | Though operational and maintenance costs are high, implementing DPR at Three Forks provides the most reliable water from a water rights perspective, since the city would not be dependent on other entities for this portion of their water supply. There is an economy of scale as well, and as DPR is more on the forefront of our industry, those operational and maintenance costs may decrease with time. |

## 4.2 Other Beneficial Projects

The existing wastewater system has several small facilities, and there is some benefit in consolidating these small facilities to be more efficient with staff and resources.

### 4.2.1 Berry Creek WWTP Consolidation Alternative

The ponds at the Berry Creek golf course are currently filled with treated effluent from the Berry Creek WWTP and are used for irrigation. This alternative proposes installing a new pump station that would fill the ponds with effluent from the new Three Forks WWTP. The existing Berry Creek WWTP flows would be consolidated into the future Three Forks WWTP. It is recommended that potential reuse customers be further evaluated in this area and added when this alternative is implemented.

**Figure 4.2** shows a schematic of the proposed system improvements.

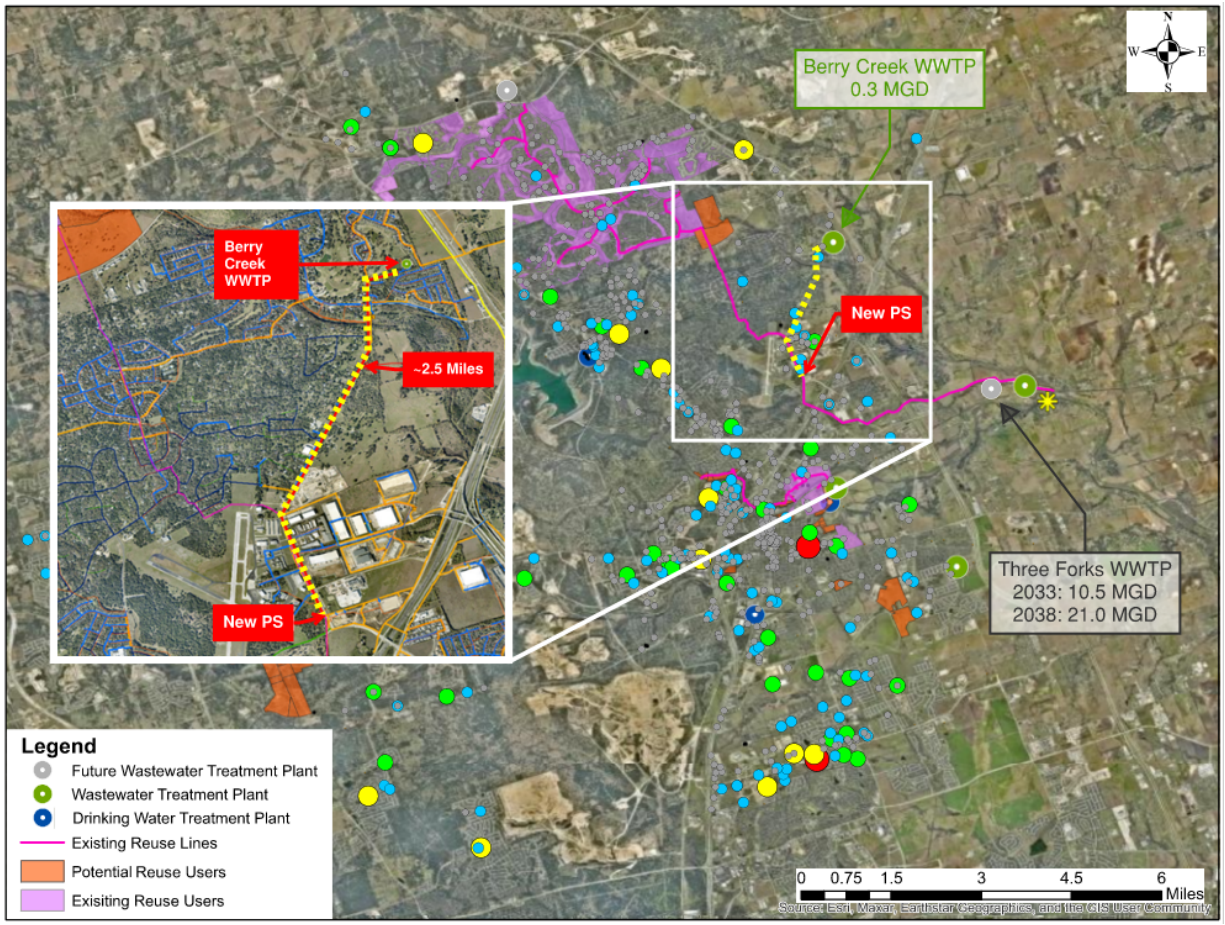


**Figure 4.2 Berry Creek WWTP Consolidation Alternative Schematic**

A summary of costs associated with this alternative is shown in **Table 4.2**, which assumes a 50 hp booster pump station.

**Table 4.2 Berry Creek WWTP Consolidation Alternative Cost Summary**

| Available New Flow | Conceptual Capital Cost | Annual Operations Cost (of new pump station) | Unit Water Cost |
|---|---|---|---|
| Not applicable | $3.4 Million | $54,750 | Not applicable |

### 4.2.2 Cimarron Hills WWTP Consolidation Alternative

With the Dove Springs to West alternative can supply the required water to meet the Cimarron Hills Golf and Country Club contract, so the Cimarron Hills WWTP could be consolidated to be more efficient with the city's resources.

## 4.3 Integration with Other Water Supply Options

As part of the IWRP analysis, a systems model was created using the Water Integration Tool (WIT) model developed by CDM Smith. The WIT is designed to simulate changes to surface water, groundwater, and recycled water budgets with changing hydrology or new project implementation. The WIT systems approach is a high-level water supply simulation that is lower in precision, but more comprehensive and

integrated than models used in the master planning and capital improvements approach. Under the IWRP, there were no project-specific reuse water options included within WIT but, rather, a general assumed supply coming from reuse water. The options evaluated under this study are planned to be incorporated into WIT so that the more detailed reuse water supply options can be evaluated alongside other supply options that the city is considering.

# 5.0 Recommended Implementation Plan

## 5.1 Recommended Long-Term Strategy

Specific Capital Improvement Project (CIP) recommendations are discussed in this section. There is no combination of non-potable reuse water options that will reliably satisfy the supply gap of 22.3 mgd. Trying to meet the supply gap through irrigation and non-potable demand requires significant conveyance and contractual investments. CDM Smith recommends prioritizing indirect potable reuse options for new WWTPs effluent flows. At this time the Three Forks WWTP and Northlands WWTP will come online in 2030 giving the city access to additional source supply. This will allow for larger volumes of water to be reused, which will take advantage of the cost savings that come from economy of scale, as well as retain water rights to the city without having to rely on external supply from new groundwater and surface water sources that have other cities competing for the same resources. Expanding non-potable irrigation water supplies should be done judiciously to target large potable users that will reduce Georgetown's overall potable demand, otherwise the city must handle too many contracts, which will become burdensome.

### 5.1.1 Benefits, Feasibility Issues, and Constraints

It is important to note that even alternatives that are not formally part of the recommended strategy to meet the supply gap are options that can be reconsidered as other water sources change. If new groundwater or surface water becomes unavailable or drastically increases in cost in the future, these options can be revisited and provide the city with additional flexibility and independence. Additionally, as technology improves and as regulations change, some of the alternatives discussed may become more or less viable.

## 5.2 10-Year CIPs

The following options are the recommended projects going forward, with additional discussion for each:

- **Maintain all existing non-potable water systems:** It is recommended that the city continue to supply non-potable water from the Pecan Branch WWTP to Sun City for community irrigation and from the San Gabriel WWTP to the existing irrigation customers.
- **Decommission Berry Creek WWTP:** With the larger Three Forks WWTP planned, wastewater flows can be re-diverted to Three Forks WWTP and Berry Creek WWTP could be decommissioned to save on operation and maintenance costs. A new pump station and pipeline using Three Forks WWTP flows could continue to fill the Berry Creek ponds to supply the Berry Creek golf course contracted reuse water volume.
- **Build non-potable water system from Dove Springs WWTP:** Reuse water from Dove Springs is recommended to supply existing and new non-potable reuse customers to the south and west of the plant. New tertiary filters would be required at Dove Springs WWTP. Pump stations, transmission mains and elevated storage tanks would be installed to deliver Type I reuse water to irrigation customers.

- **Decommission Cimarron Hills WWTP:** The reuse supply from Dove Springs WWTP could supply the golf course at Cimarron Hills WWTP, allowing that plant to be decommissioned.
- **IPR to Lake Granger:** Treated effluent from the new Three Forks and Northlands WWTPs is recommended to be conveyed via the San Gabriel River to Lake Granger under a bed and banks permit. From Lake Granger, the water would be treated at the East Williamson County Water Treatment Plant and pumped to Circleville for storage and conveyance back to the city distribution system. To give the city flexibility to consider using the WWTPs supply for DPR in the future, it is recommended that the facility evaluate membrane bioreactors for treatment.
- **Provide advanced treatment at Northlands WWTP:** It is recommended that the new Northlands WWTP evaluate membrane bioreactors and treatment for per- and polyfluoroalkyl substances (PFAS). This would allow the future ability to explore discharge into Lake Georgetown for IPR in addition to Lake Granger.

The recommended implementation strategy at this time is shown on **Figure 5.1**.

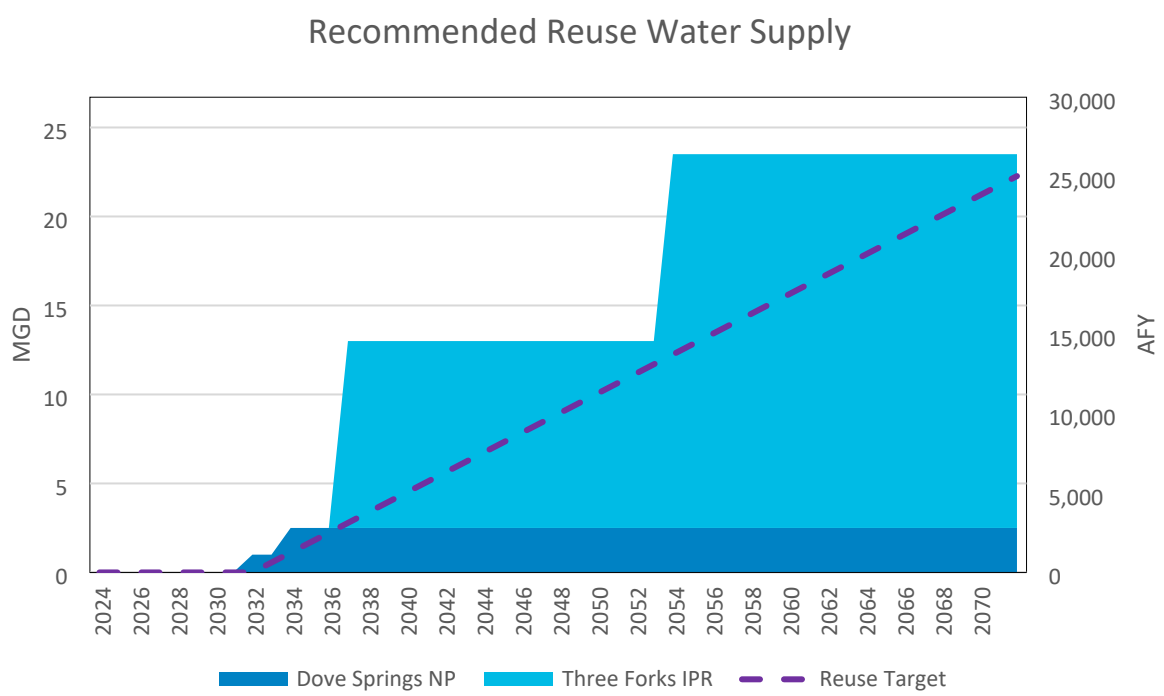


**Figure 5.1 Recommended Reuse Water Supply Implementation Strategy.**

# Appendix A Lake Georgetown Water Quality Analysis

## Lake Georgetown

### Lake Georgetown Water Quality Analysis

The City of Georgetown is investigating the feasibility of permitting a discharge from the new Northland and Three Forks Wastewater Treatment Plants (WWTPs) to Lake Georgetown. As part of the permitting process, Texas Commission on Environmental Quality (TCEQ) requires quantification of the potential impacts of this activity on lake water quality; specifically, the impacts of reuse water biological oxygen demand (BOD) loads on localized dissolved oxygen concentrations.

To this end, a two-dimensional water quality model was constructed using the U.S. Environmental Protection Agency (EPA) Water Quality Analysis Simulation Program (WASP) to simulate the proposed discharges and lake response in the form of changes in dissolved oxygen concentrations. The model simulates steady-state advective and dispersive solute transport through the lake, carbonaceous and nitrogenous BOD oxidation, reaeration, and sediment oxygen demand. The model was constructed to represent summer low-flow critical conditions. Modeling results indicate that the proposed discharge will have small impacts on lake-dissolved oxygen levels that are within TCEQ compliance thresholds.

Because of limited water quality data in the lake, a full calibration of the water quality model was not undertaken as part of this exercise. Rather, the model was parameterized following published TCEQ standard operating procedures (SOPs) (Rudolph 2018) and, based on published and default parameter values, with minor adjustments was made to better match the limited water quality data. Because of the lack of calibration, the model is best suited for assessing the relative response of the lake to the discharge only.

### Regulatory Summary for Lake Georgetown

Lake Georgetown is considered a classified lake, with an assigned segment number of 1249— Lake Georgetown from North San Gabriel Dam in Williamson County to a point 6.6 km (4.1 mi) downstream of US 183 in Williamson County, up to the normal pool elevation of 791 feet (impounds North Fork San Gabriel River). Lake Georgetown is classified per TCEQ surface water quality standards presented in 30 TAC Chapter 307 for Primary Contact Recreation 1, high aquatic life, and domestic public water supply uses (including aquifer protection). The aquifer protection use applies to the contributing, recharge, and transition zones of the Edwards Aquifer. Lake Georgetown is located within the aquifer contributing zone. Designated use class descriptions are provided in **Table A-1**.

**Table A.1 Designated Uses of Lake Georgetown Segment 1249**

| Designated Use | Class | Description |
|---|---|---|
| Recreation | Primary Contact Recreation 1 | Activities that are presumed to involve a significant risk of ingestion of water (e.g., wading by children, swimming, water skiing, diving, tubing, surfing, handfishing as defined by Texas Parks and Wildlife Code, §66.115, and the following whitewater activities: kayaking, canoeing, and rafting). |

| Designated Use | Class | Description |
|---|---|---|
| Aquatic Life | High | Habitat characteristics: Highly diverse<br>Species assemblage: Usual association of regionally expected species<br>Sensitive species: Present<br>Diversity: High<br>Species richness: High<br>Trophic Structure: Balance to slightly imbalanced |
| Domestic Water Supply | Public Supply | Segments designated for public water supply are those known to be used, or exhibit characteristics that would allow them to be used, as the supply source for public water systems, as defined by 30 TAC Chapter 290. |

Source: Texas Commission on Environmental Quality Chapter 307 – Texas Surface Water Quality Standards Rule Project No. 2020-014-307-OW

Site-specific criteria applicable to Lake Georgetown Segment 1249 are shown in **Table A-2**.

**Table A.2 Site-Specific Criteria for Lake Georgetown Segment 1249**

| Chloride (mg/L) | Sulfate (mg/L) | Total Dissolved Solids (mg/L) | Dissolved Oxygen (mg/L) | pH Range (SU) | Indicator Bacteria (#/100 mL) | Temperature (degrees Fahrenheit [°F]) | Chlorophyll-a |
|---|---|---|---|---|---|---|---|
| 50 | 50 | 350 | 5.0/3.0[1] | 6.5-9.0 | 126 | 90 | 5.00 (3.87)[2] |

[1] Dissolved oxygen concentrations are listed as mean/minimum values. Dissolved oxygen means are applied as a minimum average over a 24-hour period (24-hour minimum dissolved oxygen concentrations are not to extend beyond 8 hours per 24-hour day). Lower dissolved oxygen minima may apply on a site-specific basis when natural daily fluctuations below the mean are greater than the difference between the mean and minima of the appropriate criteria.

[2] Nutrient criteria for selected reservoirs are specified in terms of concentrations of chlorophyll-a in water as a measure of the density of phytoplankton (suspended microscopic algae). Criteria are adjusted to minimum levels that could generally be historically quantified by laboratory chemical analyses. When a chlorophyll-a criterion is below 5.00 micrograms per liter (µg/L), then the criterion is set at the minimum default criterion of 5.00 µg/L. The calculated values are shown in parentheses ( ).

Notes: mg/L = milligrams/liter; SU = standard units; Indicator Bacteria = *E. coli*; mL = milliliters; F = Fahrenheit; NA = Not Applicable

## Lake Georgetown Dissolved Oxygen Model: Overview

U.S. EPA's WASP was used to simulate Lake Georgetown water quality, both with and without the proposed WWTPs discharge. WASP is a well-known and widely published modeling tool designed to assist users in interpreting and predicting water quality responses to natural phenomena and anthropogenic stressors. It has been widely used in support of management, planning, and permitting and has been used specifically by TCEQ for similar evaluations of other Texas lakes. WASP is a dynamic compartment-based model that allows for simulation in up to three dimensions. The time-varying processes of advection, dispersion, point and diffuse mass loading, boundary exchange, and internal lake kinetics are represented in the basic program.

For the application described here, a model of Lake Georgetown steady-state dissolved oxygen dynamics was constructed to predict relative impacts of the proposed WWTPs discharge. One model was developed to simulate baseline conditions without WWTPs discharge. Four other models representing a range of WWTPs discharge conditions were also developed, as described subsequently. All models were constructed to represent critical late-summer low-flow conditions.

Available ambient monitoring data were insufficient to support site-specific calibration of the model. Therefore, the focus of this analysis is on the prediction of relative impacts only— meaning the interpretation of model results should focus on comparison of model scenarios with and without effluent discharge rather than on specific magnitudes of predicted concentrations and/or comparison to regulatory standards. In lieu of site-specific calibration, model kinetic parameterization followed TCEQ standard operating procedures (SOPs) (Rudolph 2018).

The model was constructed to simulate parameters for CBOD (ultimate), ammonia nitrogen, and dissolved oxygen.

Further details on model constructed are provided in subsequent sections.

## Model Parameterization

As shown in Figure A-1, Lake Georgetown was represented in WASP using 12 well-mixed segments of varying size. The width of the lake was idealized as uniform (0.4 mi) and divided into two uniform width (0.2 mi) layers of longitudinal segments. Each segment is a 0.5 mi in longitudinal length, except for the upstream most two segments, which are 1.5 mi in length. For the modeling presented here, a late-summer low-level lake condition was assumed. This corresponds to the critical condition with respect to water quality. Segment volumes, lengths, and depths corresponding to this condition were quantified in the model based on available bathymetric maps and survey data, collected by TWDB (2001), and an assumed lake volume of approximately 45% of capacity. This assumed low pool capacity is based on available recent reported data (https://waterdatafortexas.org/reservoirs/statewide).

Lake bathymetry information, in the form of an elevation–volume table, was used to calculate a mean lake depth of 6.3 meters for the low pool condition described above. For the WASP model, a uniform depth, equal to this value, was assumed for all segments. Given this assumed depth, and the segmentation described above, total modeled lake volume was set at 17,000 acre-feet (AF). This volume is reflective of 45% of full capacity.

Aligning with the assumed low pool condition, inflow to the lake was set equal to the 7-day annual low flow with a 2-year recurrence interval (7Q2). In addition to the river inflow, a supplemental inflow of 40,000 acre-feet per year (AFY) was included in the model, per communications with the City of Georgetown. This supplemental inflow represents existing steady annual pumping to the lake from Lake Stillhouse for water supply purposes.

The simulated proposed WWTP discharge to the lake occurs in the model at Segment 3, just upstream of the lake dam.

Model oxidation and reaeration rate constants were set at TCEQ recommended values (Rudolph 2018). Additionally, boundary loads of CBOD and ammonia were incrementally added to the modeled system until ambient lake concentrations of 6, 3, and 0.05 mg/L, for dissolved oxygen, CBOD, and ammonia, respectively, were achieved, following TCEQ protocol.

Further details on model parameterization are provided in **Table A-3**.

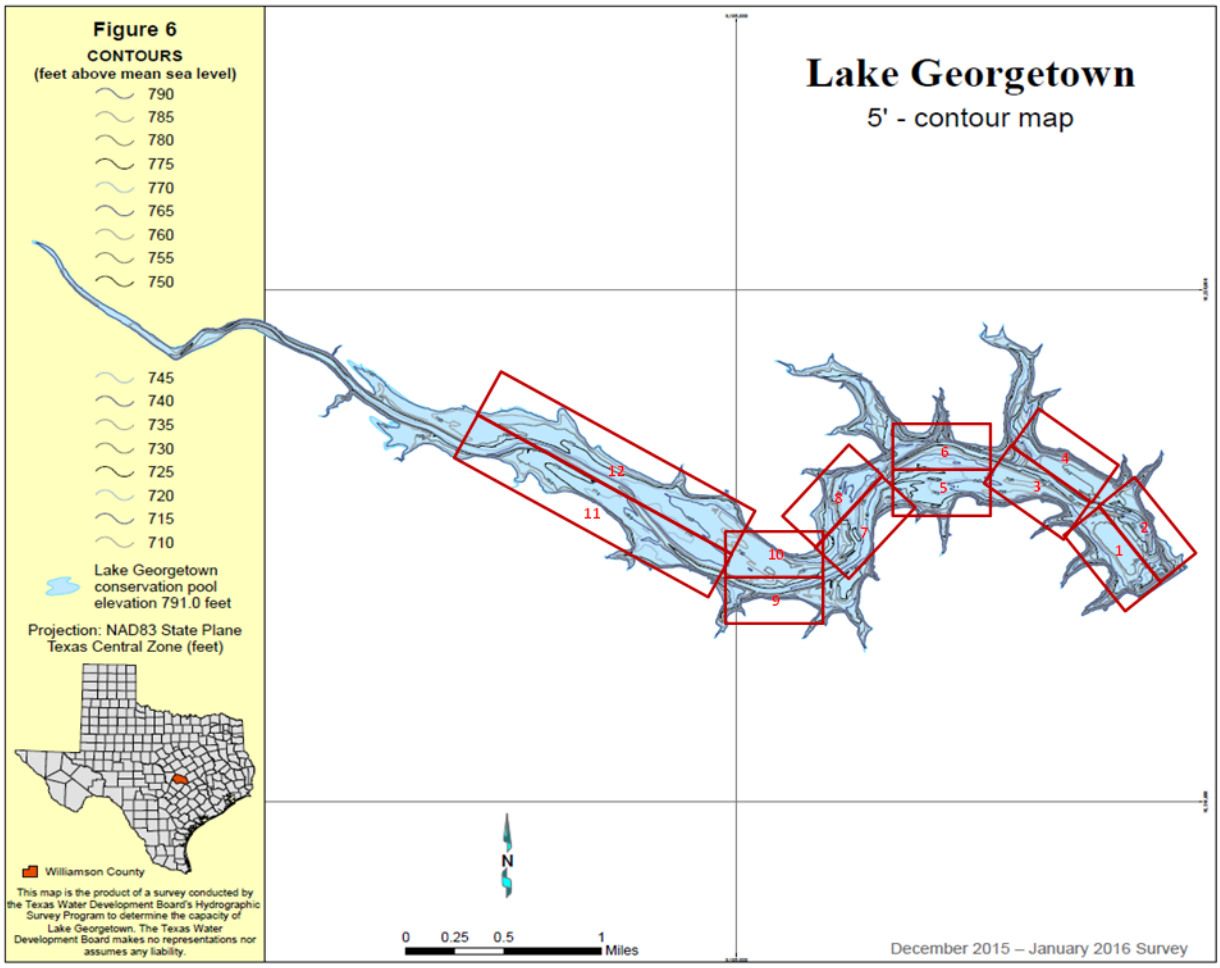


**Figure A.2 Lake Georgetown model domain and segmentation**

**Table A.3 Water Quality Model Parameterization**

| Parameter Name | Value | Recommended Range |
|---|---|---|
| Segment volume (1-10) (AF) | 1,059 | NA |
| Segment volume (11-12) (AF) | 3,156 | NA |
| Segment mean depth (1-12) (m) | 6.3 | NA |
| Water temperature (ºC) | 30.5 | 30.5 (TCEQ)* |
| Sediment oxygen demand (SOD) ($g/m^2/d$) | 0.2 | 0.2 – 5 |
| CBOD oxidation rate (1/d) | 0.16 | 0.16 (TCEQ)* |
| $NH_4$ nitrification rate (1/d) | 0.69 | 0.69 (TCEQ)* |
| Reaeration rate (1/d) | 0.3 | 0.3 (TCEQ)* |
| Ambient CBOD areal load ($kg/m^2/d$) | 0.15 | calculated following TCEQ SOP* |
| Ambient NH4 areal load ($kg/m^2/d$) | 0.01 | calculated following TCEQ SOP* |
| CBOD5 ambient (mg/L) | 1.3 | TCEQ SOP |
| $NH_4$-N ambient (mg/L) | 0.05 | TCEQ SOP |
| Q ambient (mgd) | 40 | 7Q2 + supplemental water import |
| Q WWTP (mgd) | 20, 40 | proposed permit limits |

| Parameter Name | Value | Recommended Range |
|---|---|---|
| Dissolved Oxygen WWTP (mg/L) | 6.0 | current discharge measured mean |
| $CBOD_5$ WWTP (mg/L) | 5 | proposed permit limit |
| $NH_4$-N WWTP (mg/L) | 1, 2 | proposed permit limits |

* Rudolph 2018

## Lake Georgetown Dissolved Oxygen Model Simulation Results

Four WWTP discharge scenarios were simulated with the constructed model:

- Scenario 1 – 20 mgd total discharge with effluent concentrations of 5 and 1 mg/L for CBOD5 and NH4, respectively
- Scenario 2 – 20 mgd total discharge with effluent concentrations of 5 and 2 mg/L for CBOD5 and NH4, respectively
- Scenario 3 – 40 mgd total discharge with effluent concentrations of 5 and 1 mg/L for CBOD5 and NH4, respectively
- Scenario 4 – 40 mgd total discharge with effluent concentrations of 5 and 2 mg/L for CBOD5 and NH4, respectively

Modeling results indicate that, under all four scenarios, the maximum allowable dissolved oxygen depletion of 1.0 mg/L will not be exceeded (**Table A-4**). In other words, assuming an ambient DO concentration of 6 mg/L, the relevant water quality standard (5.0 mg/L) will not be violated, as modeled. The maximum simulated depletion (Scenario 4) is approximately 0.7 mg/L. This simulated maximum depletion occurs in Segment 4, adjacent to the discharge segment, due to oxidizing CBOD and $NH_4$.

**Table A.4 Model Simulation Results**

| Scenario | Maximum $CBOD_5$ (mg/L) | Maximum $NH_4$ (mg/L) | Minimum DO (mg/L) | Maximum DO Depletion (mg/L) |
|---|---|---|---|---|
| Baseline: Ambient Conditions | 3.2 | 0.05 | 5.83 | NA |
| Scenario 1 – 20 mgd, 1 mg/L $NH_4$ | 4.5 | 0.12 | 5.65 | 0.2 |
| Scenario 2 – 40 mgd, 1 mg/L $NH_4$ | 5.8 | 0.18 | 5.46 | 0.4 |
| Scenario 3 – 20 mgd, 2 mg/L $NH_4$ | 4.5 | 0.18 | 5.50 | 0.3 |
| Scenario 4 – 40 mgd, 2 mg/L $NH_4$ | 5.8 | 0.30 | 5.17 | 0.7 |

# Appendix B CIP Planning Level Costs and Assumptions

## Non-Potable Reuse Options

### Three Forks – Lake WTP

**Table B.1 Three Forks – Lake WTP Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Yard piping at PB WWTP | 1 | LS | $800,000 | $800,000 |
| 100 hp booster pump station[1] | 1 | LS | $1,214,194 | $1,214,194 |
| Ground Storage Tank 1-2 | 2,000,000 | Gal | $1.00 | $2,000,000 |
| WWTP Improvements Subtotal | | | | $4,014,194 |
| Mobilization/demobilization | 5 | % | NA | $200,750 |
| Contingency | 35 | % | NA | $1,404,968 |
| WWTP Improvements Construction Subtotal | | | | $5,619,911 |
| Professional Services | 15 | % | NA | $843,000 |
| Total PB WWTP Improvements Cost | | | | $6,462,911 |
| Elevated storage tank | 500,000 | gal | $4.00 | $2,000,000 |
| 200 hp booster pump station | 1 | LS | $1,614,619 | $1,614,619 |
| Trench safety | 45,000 | LF | $4.89 | $220,181 |
| 12-inch waterline - urban rock[2] | 24,000 | LF | $165.34 | $3,968,088 |
| 12-inch waterline - urban rock[3] | 21,000 | LF | $165.34 | $3,472,077 |
| 24-inch bored highway/river crossing | 200 | LF | $597.45 | $119,490 |
| Dewatering | 45,000 | LF | $3.61 | $162,239 |
| Conveyance Subtotal | | | | $11,556,694 |
| Mobilization/demobilization | 5 | % | NA | $577,750 |
| Contingency | 35 | % | NA | $4,044,843 |
| Conveyance Construction Subtotal | | | | $16,179,287 |
| Professional services | 15 | % | NA | $2,427,000 |
| Easement acquisition | 14.463 | acres | $30,000 | $433,884 |
| Total Conveyance Improvements Cost | | | | $19,040,172 |
| | | | **Project Total:** | **$25,503,083** |

Notes:
[1] At WWTP
[2] From WWTP to airport
[3] From Airport to EST

## San Gabriel (SG) – Lake WTP

**Table B.2 San Gabriel – Lake WTP Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Yard piping at SG WWTP | 1 | NA | $500,000 | $500,000 |
| Ground Storage Tank 0-0.5 | 500,000 | Gal | $1.5 | $750,000 |
| 50 hp booster pump station[1] | 1 | LS | $1,162,526 | $1,162,526 |
| WWTP Improvements Subtotal | | | | $2,412,526 |
| Mobilization/demobilization | 5 | % | | $120,750 |
| Contingency | 35 | % | | $844,384 |
| WWTP Improvements Construction Subtotal | | | | $3,377,660 |
| Professional services | 15 | % | | $506,750 |
| Total San Gabriel WWTP Improvements Cost | | | | $3,884,410 |
| Total Dove Springs WWTP Improvements Cost | | | | 6,379,910 |
| Pressure appurtenances | 1 | | $100,000 | $100,000 |
| Elevated storage tank | 500,000 | | $4 | $2,000,000 |
| Trench safety | 48,500 | LF | $4.89 | $237,307 |
| 8-inch waterline - urban rock | 40,000 | LF | $95.59 | $3,823,418 |
| 12-inch bored highway/river crossing | 200 | LF | $303.88 | $60,775 |
| 6-inch Waterline - Urban Rock | 8,500 | LF | $60.71 | $516,032 |
| Dewatering | 48,500 | LF | $3.61 | $174,857 |
| Conveyance Subtotal | | | | $6,912,389 |
| Mobilization/demobilization | 5 | % | | $345,500 |
| Contingency | 35 | % | | $ $2,419,336 |
| Conveyance Construction Subtotal | | | | $9,677,226 |
| Professional services | 15 | % | | $1,451,500 |
| Easement acquisition | 14.463 | acres | $30,000 | $433,884 |
| Total Conveyance Improvements Cost | | | | $11,562,610 |
| | | | **Project Total:** | **$21,826,930** |

Notes:

[1] At San Gabriel WWTP

## Northlands WWTP Storage

**Table B.3 Northlands WWTP Storage Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Yard piping at Northlands WWTP | 1 | | $800,000 | $800,000 |
| Groound Storage Tank 1-2 | 500,000 | | $1.0 | $500,000 |
| WWTP Improvements Subtotal | | | | $1,300,000 |
| Mobilization/demobilization | 5 | % | | $65,000 |
| Contingency | 35 | % | | $455,000 |
| WWTP Improvements Construction Subtotal | | | | $ 1,820,000 |
| Professional services | 15 | % | | $273,000 |
| Total Northlands WWTP Improvements Cost | | | | $2,093,000 |
| 50 hp booster pump station | 1 | | $1,162,526 | $1,162,526 |
| Elevated storage tank | 500,000 | Gal | $4 | $2,000,000 |
| Trench safety | 16,000 | LF | $4.89 | $78,287 |
| 8-inch waterline - urban rock | 16,000 | LF | $95.59 | $1,529,367 |
| 12-inch bored highway/river crossing | 200 | LF | $303.88 | $60,775 |
| Dewatering | 16,000 | LF | $3.61 | $57,685 |
| Conveyance Subtotal | | | | $4,888,640 |
| Mobilization/demobilization | 5 | % | | $244,500 |
| Contingency | 35 | % | | $1,711,024 |
| Conveyance Construction Subtotal | | | | $6,844,164 |
| Professional services | 15 | % | | $1,026,500 |
| Easement acquisition | 11.019 | acres | $30,000 | $330,579 |
| Total Conveyance Improvements Cost | | | | $ 8,201,242 |
| | | | **Project Total:** | **$10,294,242** |

Notes:

[1] DN Supplier

## Dove Springs (DS) – South

**Table B.4 Dove Springs – South Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Yard piping at DS WWTP | 1 | | $800,000 | $800,000 |
| 100 hp booster pump station[1] | 1 | | $1,214,194 | $1,214,194 |
| Ground Storage Tank 1-2 | 1,000,000 | | $1.0 | $1,000,000 |
| Effluent filters at DS WWTP | 1 | | $500,000 | $500,000 |
| WWTP Improvements Subtotal | | | | $ 3,514,194 |
| Mobilization/demobilization | 5 | % | | $175,750 |
| Contingency | 35 | % | | $1,229,968 |
| WWTP Improvements Construction Subtotal | | | | $4,919,911 |
| Professional services | 15 | % | | $738,000 |
| Total Dove Springs WWTP Improvements Cost | | | | $5,657,911 |
| Elevated storage tank | 500,000 | Gal | $4 | $2,000,000 |
| Trench safety | 34,500 | LF | $4.89 | $168,806 |
| 12-inch waterline - rural rock[3] | 23,500 | LF | $107.21 | $2,519,452 |
| 8-inch waterline - rural rock[4] | 11,000 | LF | $62.00 | $682,015 |
| 12-inch bored highway/river crossing | 200 | LF | $303.88 | $60,775 |
| Dewatering | 34,500 | LF | $3.61 | $124,383 |
| Conveyance Subtotal | | | | $5,555,431 |
| Mobilization/demobilization | 5 | % | | $277,750 |
| Contingency | 35 | % | | $1,944,401 |
| Conveyance Construction Subtotal | | | | $7,777,582 |
| Professional services | 15 | % | | $1,166,750 |
| Easement acquisition | 23.760 | acres | $30,000 | $712,810 |
| Total Conveyance Improvements Cost | | | | $9,657,141 |
| | | | **Project Total:** | **$15,315,053** |

Notes:
[1] At WWTP
[2] DN Supplier Mods
[3] HS to EWT
[4] EWT to West

## Dove Springs – West

**Table B.5 Dove Sprints – West Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Yard piping at DS WWTP | 1 | | $800,000 | $800,000 |
| 200 hp booster pump station[1] | 1 | | $1,614,619 | $1,614,619 |
| Effluent filters at DS WWTP | 1 | | $500,000 | $500,000 |
| Ground Storage Tank 1-2 | 1,500,000 | | 1 | $1,500,000 |
| WWTP Improvements Subtotal | | | | $4,414,619 |
| Mobilization/demobilization | 5 | % | | $220,750 |
| Contingency | 35 | % | | $1,545,117 |
| WWTP Improvements Construction Subtotal | | | | $6,180,486 |
| Professional services | 15 | % | | $927,000 |
| Total Dove Springs WWTP Improvements Cost | | | | $7,107,486 |
| Pressure reducing equipment | 1 | | $100,000 | $100,000 |
| 300 hp booster pump station | 1 | | $2,389,636 | $2,389,636 |
| Ground storage tank 1-2 | 500,000 | | 1 | $500,000 |
| Elevated storage tank | 500,000 | Gal | 4 | $2,000,000 |
| Elevated storage tank | 500,000 | Gal | 4 | 2,000,000 |
| Trench safety | 76,600 | LF | $4.89 | $374,798 |
| 12-inch waterline - urban rock[3] | 15,600 | LF | $165.34 | $2,579,257 |
| 12-inch waterline - rural rock[4] | 13,500 | LF | $107.21 | $1,447,345 |
| 12-inch waterline - rural rock[5] | 26,500 | LF | $107.21 | $2,841,084 |
| 8-inch waterline - rural rock[6] | 12,000 | LF | $62.00 | $744,016 |
| 8-inch waterline - rural rock[7] | 9,000 | LF | $62.00 | $558,012 |
| 24-inch bored highway/river crossing | 200 | LF | $597.45 | $119,490 |
| Dewatering | 76,600 | LF | $3.61 | $ 276,167 |
| Conveyance Subtotal | | | | $15,929,805 |
| Mobilization/demobilization | 5 | % | | $796,500 |
| Contingency | 35 | % | | $ 5,575,432 |
| Conveyance Construction Subtotal | | | | $$22,301,737 |
| Professional services | 15 | % | | $3,345,250 |
| Easement acquisition | 25.207 | acres | $30,000 | $756,198 |
| Total Conveyance Improvements Cost | | | | $ 26,403,185 |
| | | | **Project Total:** | **$33,510,671** |

Notes:
[1] At WWTP
[2] DN Supplier
[3] WWTP to HS PS
[4] HS to Mill
[5] Mill to EWT
[6] EWT to West
[7] EWT to South

## Berry Creek WWTP

**Table B.6 Berry Creek WWTP Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| 50 hp booster pump station[1] | 1 | | $1,162,526 | $1,162,526 |
| Trench safety | 12,672 | LF | $4.89 | $62,003 |
| 6-inch waterline - urban rock[2] | 12,672 | LF | $60.71 | $769,313 |
| 12-inch bored highway/river crossing | 200 | LF | $303.88 | $60,775 |
| Dewatering | 12,672 | LF | $3.61 | $45,686 |
| Conveyance Subtotal | | | | $2,100,304 |
| Mobilization/demobilization | 5 | % | | $105,000 |
| Contingency | 35 | % | | $735,106 |
| Conveyance Construction Subtotal | | | | $2,940,410 |
| Professional services | 15 | % | | $441,000 |
| Easement acquisition | 0 | acres | $30,000 | - |
| Total Conveyance Improvements Cost | | | | $3,381,410 |
| | | | **Project Total:** | **$3,381,410** |

Notes:
[1] By airport
[2] From WWTP to airport

# Potable Reuse Options

## IPR

### IPR to Lake Granger

**Table B.7 IPR to Lake Granger Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Bed and banks permitting[1] | 1 | | $250,000 | $250,000 |
| EWC WTP pro rata expansion cost[2] | 10.5 | mgd | $9 | $94,500,000 |
| Ground Storage Tank 2.5+ | 4,000,000 | | $0.75 | $3,000,000 |
| 200 hp booster pump station[3] | 1 | | $1,614,619 | $1,614,619 |
| Site Improvements Subtotal | | | | $99,364,619 |
| Mobilization/demobilization | 5 | % | | $4,968,250 |
| Contingency | 35 | % | | $34,777,617 |
| Site Improvements Construction Subtotal | | | | $139,110,486 |
| Professional services | 20 | % | | $27,822,000 |
| Total Site Improvements Cost | | | | $166,932,486 |
| Trench safety | 53,000 | LF | $4.89 | $259,325 |
| 36-inch waterline - rural soil[4] | 52,000 | LF | $295.80 | $15,381,507 |
| 36-inch waterline - urban soil[5] | 1,000 | LF | $424.97 | $424,968 |
| 42-inch bored highway/river crossing | 200 | LF | $1,050.00 | $ 210,000 |
| Dewatering | 53,000 | LF | $3.61 | $191,081 |
| Conveyance Subtotal | | | | $16,466,881 |
| Mobilization/demobilization | 5 | % | | $823,250 |
| Contingency | 35 | % | | $5,763,408 |
| Conveyance Construction Subtotal | | | | $23,053,540 |
| Professional services | 15 | % | | $3,458,000 |
| Easement acquisition | 35.813 | acres | $30,000 | $1,074,380 |
| Total Conveyance Improvements Cost | | | | $27,585,920 |
| | | | **Project Total:** | **$194,518,405** |

Notes:
[1] From WWTP to Lake Granger
[2] $9/gal. Includes PS to Circleville WTP, storage tank at WTP, and treatment.
[3] At Circleville WTP
[4] From Circleville WTP to new North Pipeline
[5] Buffer for more urban areas

## Northlands Advanced Treatment

**Table B.8 Northlands Advanced Treatment Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Ground Storage Tank 2.5+ | 4,000,000 | | $0.75 | $3,000,000 |
| 700 hp booster pump station[2] | 1 | | $5,438,037 | $5,438,037 |
| UF/RO facility - 12 mgd capacity equipment[1] | | | | $12,000,000 |
| UF/RO facility - 12 mgd capacity ancillary | | | | $4,200,000 |
| RO Capture | 25% | | | |
| RO disposal[3] | 1 | LS | $13,503,304 | $13,503,304 |
| Site Improvements Subtotal | | | | $38,141,341 |
| Mobilization/demobilization | 5 | % | | $1,907,000 |
| Contingency | 35 | % | | $13,349,469 |
| Site Improvements Construction Subtotal | | | | $53,397,811 |
| Professional services | 20 | % | | $10,679,500 |
| Total Site Improvements Cost | | | | $64,077,311 |
| Trench safety | 41,000 | LF | $4.89 | $200,610 |
| 24-inch waterline - rural rock[4] | 31,000 | LF | $246.71 | $7,648,128 |
| 24-inch waterline - urban rock[4] | 10,000 | LF | $375.88 | $3,758,833 |
| 36-inch bored highway/river crossing | 200 | LF | $901.33 | $180,265 |
| Dewatering | 41,000 | LF | $3.61 | $147,818 |
| Conveyance Subtotal | | | | $11,935,654 |
| Mobilization/demobilization | 5 | % | | $596,750 |
| Contingency | 35 | % | | $4,177,479 |
| Conveyance Construction Subtotal | | | | $16,709,883 |
| Professional services | 15 | % | | $3,342,000 |
| Easement acquisition | 21.350 | acres | $30,000 | $640,496 |
| Total Conveyance Improvements Cost | | | | $ 20,692,378 |
| | | | **Project Total:** | **$84,769,689** |

Notes:
[1] At Northlands WWTP
[2] Cost from TWDB UNM Table 2 Indexed for 10/2023
[3] Send out of recharge zone
[4] From Northlands to Lake WTP

## DPR

### DPR at Northlands

**Table B.9 DPR at Northlands Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Ground Storage Tank 2.5+ | 4,000,000 | | $0.75 | $3,000,000 |
| 1,000 hp booster pump station[1] | 1 | | $7,672,670 | $7,672,670 |
| UF/RO/UV/AOP facility | 12,000,000 | gallons | $6.0 | $72,000,000 |
| RO capture | 20% | | | |
| RO disposal[2] | 1 | LS | $13,503,304 | $13,503,304 |
| Site Improvements Subtotal | | | | $96,175,974 |
| Mobilization/demobilization | 5 | % | | $4,808,750 |
| Contingency | 35 | % | | $33,661,591 |
| Site Improvements Construction Subtotal | | | | $134,646,315 |
| Professional services | 20 | % | | $26,929,250 |
| Total Site Improvements Cost | | | | $ 161,575,565 |
| Trench safety | 38,000 | LF | $4.89 | $185,931 |
| 24-inch waterline - rural rock[3] | 30,000 | LF | $246.71 | $7,401,414 |
| 24-inch waterline - urban rock | 8,000 | LF | $375.88 | $3,007,067 |
| 36-inch bored highway/river crossing | 200 | LF | $901.33 | $180,265 |
| Dewatering | 38,000 | LF | $3.61 | $137,002 |
| Conveyance Subtotal | | | | $10,911,679 |
| Mobilization/demobilization | 5 | % | | $545,500 |
| Contingency | 35 | % | | $3,819,088 |
| Conveyance Construction Subtotal | | | | $15,276,266 |
| Professional services | 15 | % | | $3,055,250 |
| Easement acquisition | 20.661 | acres | $30,000 | $619,835 |
| Total Conveyance Improvements Cost | | | | $18,951,351 |
| | | | **Project Total:** | **$180,526,916** |

Notes:
[1] At Northlands WWTP
[2] Send out of recharge zone
[3] From Northlands WWTP to Daniel Storage Tank near Andice

## DPR at Three Forks

**Table B.10 DPR at Three Forks Alternative Budget Information**

| Item Description | Quantity | Unit | Unit Price | Total Cost |
|---|---|---|---|---|
| Ground Storage Tank 2.5+ | 4,000,000 | | $ 0.75 | $3,000,000 |
| 1,000 hp booster pump station[1] | 1 | | $7,672,670 | $9,207,204 |
| UF/RO/UV/AOP/disinfection facility[1] | 16,800,000 | gallons | $6 | $100,800,000 |
| RO capture | 20% | | | |
| RO disposal[2] | 1 | LS | $ 23,244,431 | $23,244,431 |
| Site Improvements Subtotal | | | | $136,251,635 |
| Mobilization/demobilization | 5 | % | | $6,812,500 |
| Contingency | 35 | % | | $47,688,072 |
| Site Improvements Construction Subtotal | | | | $190,752,207 |
| Professional services | 20 | % | | $38,150,500 |
| Total Site Improvements Cost | | | | $228,902,707 |
| Trench safety | 42,000 | LF | $4.89 | $ 205,503 |
| 36-inch waterline - rural soil[3] | 40,000 | LF | $295.80 | $11,831,929 |
| 36-inch waterline - urban soil[4] | 2,000 | LF | $424.97 | $849,935 |
| 36-inch bored highway/river crossing | 200 | LF | $901.33 | $180,265 |
| Dewatering | 42,000 | LF | $3.61 | $151,423 |
| Conveyance Subtotal | | | | $13,219,055 |
| Mobilization/demobilization | 5 | % | | $661,000 |
| Contingency | 35 | % | | $4,626,669 |
| Conveyance Construction Subtotal | | | | $18,506,725 |
| Professional services | 15 | % | | $3,701,250 |
| Easement acquisition | 27.548 | acres | $30,000 | $826,446 |
| Total Conveyance Improvements Cost | | | | $ 23,034,421 |
| | | | **Project Total:** | **$251,937,128** |

Notes:
[1] At Three Forks WWTP
[2] Send to Milan County
[3] From Three Forks WWTP to blending with North Pipe
[4] Buffer for urban areas

# Appendix C Case Studies

## Round Rock Case Study
## Kit Perkins, City of Round Rock, and Allen Woelke, CDM Smith

### Location

Round Rock, Texas

### Size

4.2 mgd, Fiscal Year (FY) 2023

### Year of Installation

Circa 1997

### Status

Operational

## History

The City of Round Rock has been selling reclaimed water for more than 25 years, with the first connection to the Forest Creek Golf Course in 1997 with Type II irrigation water. The initial treatment and conveyance system consisted of water diverted from the city's chlorine contact basins and pumped to a pond. From there, an abandoned force main was used to convey reclaimed water to the Forest Creek Golf Course. The golf course is city-owned and there is no fee charged for golf course water. It is, instead, treated as a potable water offset. TCEQ has approved the 30 TAC Chapter 210 contract for this use of reclaimed water.

## Current Status

Today, the treatment system has been upgraded with tertiary disc filters that treat the water to a standard that qualifies it for Type I non-potable uses. A 1.0 mg clearwell was added (with a second 2.0 mg clearwell to be added in the future) in addition to two pump stations for conveyance to the clearwell and to a 1.25 mg EST.

The city's reclaimed water program now has 20 to 30 customers who use the water for a variety of purposes, such as indoor toilet flushing, cooling tower and air-conditioning makeup water, and construction water. The largest private customers are homeowners associations (HOAs). Some customers have multiple meters, bringing the total reuse meters in service to 50.

Water sales in recent years consist of 2,194 AF in FY2023 and 2,135 AF in FY2022. Additionally, the maximum day flows in calendar years 2023 and 2022 were 4.21 mgd and 4.33 mgd, respectively. Fees currently charged for reclaimed water consist of 75% of the lowest tier water rate, which is equivalent to $1.92/1,000 gal. There are no impact fees and no drought restrictions. The contractual arrangement with customers is built around anchor customers that base load the system.

## Future System

The City of Round Rock's reclaimed water program is expected to grow in the coming decades. In 2030, the projected system water delivery is 12 mgd for maximum day and 4.25 for average day. The city is anticipating that the bulk of new customers will consist of parks, HOAs, and data centers.

Supporting future reclaimed water customers will require adding a clearwell, building out transfer and high service (HS) pumps, a dual electrical feed, adding additional conveyance and distribution piping, and one more EST south of the existing WWTP. Other additional improvements planned include adding a serviceable screen after water meters to prevent solids from plugging sprinkler heads. Despite future expansion, fees for reclaimed water are expected to remain at 75% of the potable water base rate. The city has not evaluated whether revenue is being generated on reclaimed water; however, the reclaimed water program offsets the need for additional water supplies and additional potable water. The U.S. Bureau of Reclamation (USBR) has set aside funding for a reclaimed water project in Williamson County, where Round Rock is located, and has promised matching funds to 25%.

# Orange County Groundwater Replenishment System (GWRS) Advanced Water Treatment Facility[3]

**Mehul Patel, Orange County Water District, Greg Wetterau, and Bruce Chalmers, CDM Smith**

## Project Facts

### Location

Orange County, California

### Size

70 mgd initial, expanded to 100 mgd

### Year of Installation

2008 initial, expansion complete in 2015

### Status

Operational

### Cost

$481 million initial, $143 million expansion

## Background

Water Factory 21 was established in Orange County, California in 1976 as the first project utilizing direct injection of recycled wastewater into a drinking water aquifer for subsequent indirect potable reuse (IPR). Water Factory 21 was a 16 mgd demineralization plant using reverse osmosis (RO), a new technology at the time, to purify reclaimed water for reuse (Orange County Water District [OCWD] 2013). The OCWD obtains water from the Santa Ana River, the Colorado River, the State Water Project (Delta conveyance), local precipitation, and recycled water from the Orange County Sanitation District (OCSD) (Wehner 2010). Starting in 2004 and completed in 2008, the OCWD upgraded their recharge system by superseding Water Factory 21 with the unveiling of a 70 mgd Groundwater Replenishment System (GWRS)—the world's largest advanced water treatment system for potable reuse (**Figure C-1**).

[3] Patel, M., Wetterau, G., & Chalmers, B. (2017). 2017 Potable Reuse Compendium. U.S. Environmental Protection Agency and CDM Smith Inc. under Cooperative Research and Development Agreement (CRADA).

**Figure C.1 The World's Largest Wastewater Recycling System for Indirect Potable Reuse**
*(Photo Credit: Jim Kutzle, Orange County Water District, from GWRS 2013)*

During construction of the GWRS, the Interim Water Factory was operating from 2004–2006 which produced 5 mgd of reclaimed water utilizing MF, RO, and UV/AOP with hydrogen peroxide (Wehner 2010). This water was blended with 8 mgd imported water before being used for groundwater replenishment. At the GWRS, influent water flows from the OCSD Plant 1 to the GWRS. After treatment, the GWRS pipelines initially distributed 35 mgd of purified reclaimed water from the OCWD's facility located in Fountain Valley to groundwater recharge basins (Kraemer, Miller, and Miraloma) located in Anaheim (**Figure C-2**). The purified water flows year-round through a 13-mile long pipeline before reaching and percolating through recharge basins which provide up to 70% of the drinking water supplied to the northern and central parts of the OCWD (OCWD 2013). The other 35 mgd was pumped into the Talbert Gap seawater intrusion barrier injection wells. The plant completed an expansion to 100 mgd in 2015; however, limited availability of wastewater from OCSD Plant 1 has thus far prevented the facility from operating at its full rated capacity. The facility is planning a future expansion to 130 mgd, and is evaluating alternatives for providing additional wastewater flows for both the current and expanded facility. At 70 mgd, the GWRS served approximately 600,000 people. With the completed expansion, the GWRS will produce enough water to sustain a population of 850,000 people (OCWD 2014).

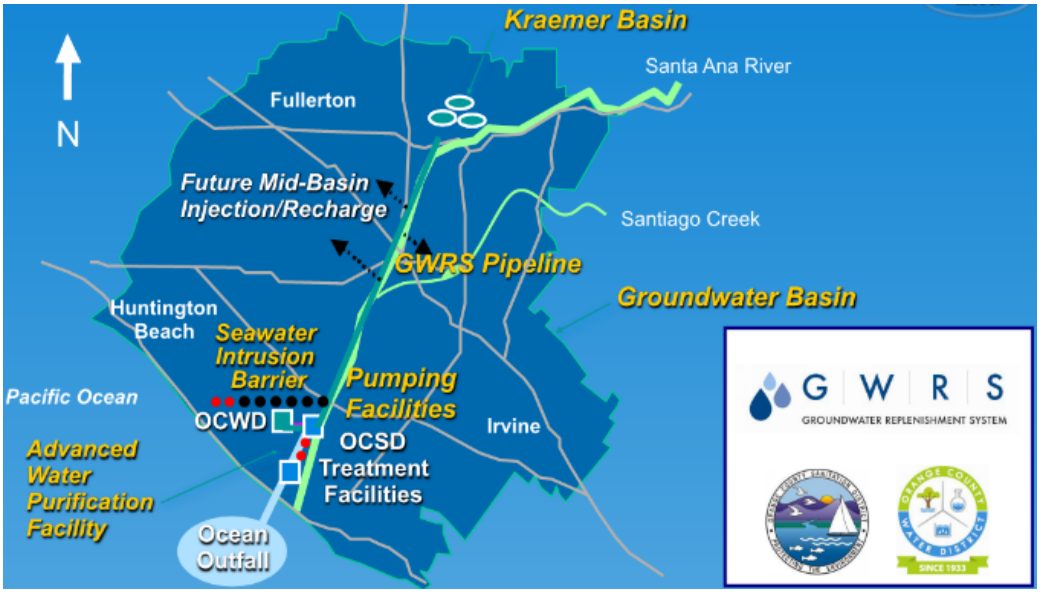


**Figure C.2 Map of GWRS facilities, pipeline, and recharge basins (Source: GWRS)**

## Treatment Type and Process Flow Block Diagram

The GWRS treatment process utilizes MF, RO, UV/AOP with hydrogen peroxide as part of the advanced purification process follow by decarbonation and lime addition (**Figure C-3**). The microfiltration process has a 90% recovery rate at the GWRS; backwash from the process is sent to OCSD Plant 1 for treatment and return to GWRS. Each microfiltration cell experiences backwashing every 22 minutes to prevent high-pressure buildup (GWRS 2013). Additionally, each microfiltration cell receives a full chemical cleaning every 21 days. The RO process has an 85% recovery rate and the resulting brine is distributed to the OCSD ocean outfall. MF and RO are followed by six low-pressure high-output UV reactors in series, each with 72 lamps. Following UV disinfection, the water is stabilized to pH levels between 8.5 and 9 by partial degasification and lime addition (GWRS 2013).

The water quality of influent water to the GWRS and product water following the complete treatment process is summarized in **Table C-1**.

**Table C.1 GWRS Influent and Effluent Water Quality**

| Water Quality Parameter | Influent Levels (mg/L) | Effluent Levels (mg/L) |
|---|---|---|
| **Total dissolved solids (TDS)** | 1,000 | <30 |
| **Total organic carbon (TOC)** | 12–15 | <0.30 |
| **Pharmaceuticals** | – | Non-detect (<10 ng/L) |

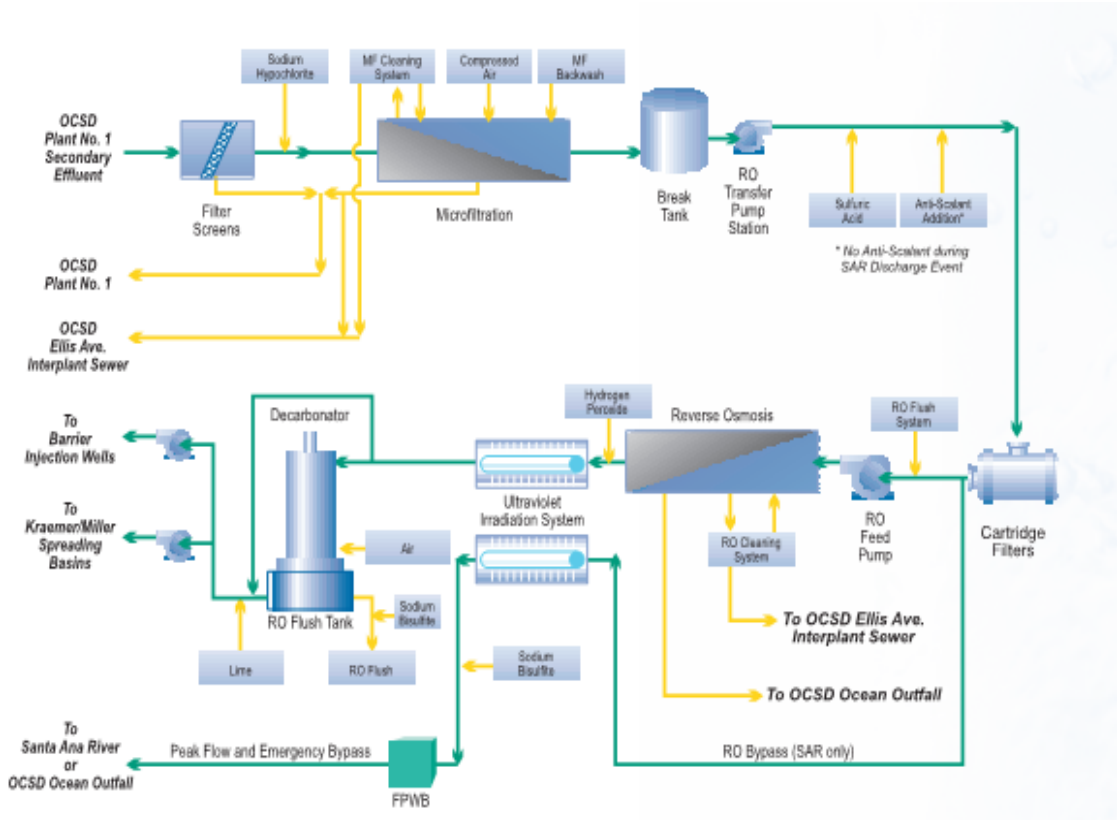


**Figure C.3 Process Flow Diagram of Advanced Treatment at the GWRS (Source: GWRS 2013)**

## Permitting and Monitoring

Similar to the Leo J. Vander Lans Advanced Water Treatment Facility (LVLWTF)/Alamitos Gap Barrier Injection project, the California Regional Water Quality Control Boards are responsible for regulatory oversight of potable reuse project in Orange County, and to that extent, for all potable reuse projects in the State of California. The Regional Water Quality Boards issue permits for water recycling and the State Water Resource Control Board Division of Drinking Water (DDW) establishes the criteria used for water recycling. DDW (formerly the California Department of Public Health) recommendations were incorporated into the original reuse permit which was issued in 2004 after Water Factory 21 was out of commission and in the revised permit that was issued in 2015. The GWRS uses online sensors and SCADA systems to monitor real-time performance of the treatment system. The RO process is monitored using measures of electrical conductivity and total organic carbon (TOC). Electrical conductivity is used to measure the concentration of total dissolved solids (TDS), whereas TOC is used to measure the level of organics in the product water and, therefore, gauges removal levels. TOC also serves as a surrogate for pathogen reduction, allowing a 2-log pathogen credit to be granted across the RO system. The UV-AOP process is monitored using a UV transmittance online sensor and an additional sensor measuring UV power delivered.

## Unique WWTP or Water Reclamation Facility (WRF) Permit Limits in the National Pollutant Discharge Elimination System (NPDES) Permit or Additional Permit

OCSD has a source control program to strive to limit pollution from drugs/medications or industrial chemicals, such as 1,4-dioxane, dumped into the source water. In addition to their source control program, the OCSD has implemented additional programs such as educational outreach programs, toxics inventory, and a pollutant ranking system in response to permit criteria set by DDW.

The GWRS has been given greater than 20 awards over the years, including the coveted 2014 Lee Kuan Yew Water Prize and the 2014 U.S. Water Prize (OCWD 2014).

## References


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# Wichita Falls River Road WWTP and Cypress WTP Permanent IPR and Emergency DPR Project[4]

**Daniel Nix and Russell Schreiber, City of Wichita Falls**

## Project Facts

### Location

Wichita Falls, Texas

### Size

DPR: 5 mgd IPR: 16 mgd

### Year of Installation

DPR: 2014 IPR: potentially 2018

### Status

DPR: Decommissioned IPR: Planning Stages

### Cost

DPR: $13 Million IPR: Projected $33.5 Million

## Background

Lake Arrowhead and Lake Kickapoo are the main surface water supplies for the City of Wichita Falls, Texas. During 2013, both lakes were less than 35% full (**Figure A.6-1**), sending Wichita Falls into extreme drought conditions with no readily available water supply solution (Khan 2013).

[4] Nix, D., and Schreiber, R. 2017. 2017 Potable Reuse Compendium. U.S. Environmental Protection Agency and CDM Smith Inc. under CRADA.

**Figure C.4 Lake Arrowhead levels in 2013 (Photo credit: Daniel Nix)**

By May 2014, Wichita Falls declared a Stage 5 drought. Wichita Falls, however, proactively began investigating the possibility of implementing a DPR project following the drought of 1995–2000 during which they supplemented their drinking water supply with highly saline water from Lake Kemp and Lake Diversion (Dahl 2014). By using microfiltration (MF) and RO, they were able to integrate the treated saline lake water with the existing potable water supply. Wichita Falls Public Works Department was confident they could do the same with municipal wastewater when faced with the most recent drought conditions. In 2012, recognizing the city would be out of water by 2014 without further action, Wichita Falls drafted a two-phase project plan involving both a permanent IPR scheme and an emergency temporary DPR scheme.

## Conservation Efforts

By December 2014, staged water conservation efforts saved up to 6.1 billion gallons of water (about 1.5 years' supply). Stage 5 drought restrictions had lowered the average summer usage by 65%. Nonetheless, conservation alone was insufficient to sustain a reliable drinking water supply (Nix 2014).

## Emergency (Short-Term) DPR System

The DPR scheme was implemented because drought conditions led to severe and abrupt drinking water needs for the City of Wichita Falls, with lake levels well below the 40% considered to be an emergency. The emergency DPR project began operating online on July 9, 2014 after only 27 months of design, permitting, and construction. The city expected the temporary DPR system to remain in operation for 2 to 2.5 years, at which time the permanent IPR system would come online. Because of significant rainfall, the DPR project was decommissioned on July 21, 2015.

A unique context in Wichita Falls was that the city already had an MF/RO plant that treated the Lake Kemp water. This MF/RO system was scheduled to be taken offline because the salinity in Lake Kemp had increased dramatically (going from the normal 2,500 parts per million (ppm) total dissolved solids [TDS] to 8,000 ppm TDS). The Lake Kemp MF/RO system could not successfully treat this higher TDS

water. Reusing the facility kept costs and time down because design and construction of a new membrane plant was not needed.

The DPR system transferred treated effluent from the River Road WWTP to the Cypress water treatment plant (WTP) through 13 miles of pipe that were laid in 3 months—all aboveground. The pipeline was sized for the future permanent IPR system and will be reused. By laying the pipeline through the city's flood control channels, the city did not face any right-of-way issues.

At the Cypress WTP, the treated effluent was purified through MF and RO. A disinfection-dose UV system was added after 6 months of operation. The UV dose employed targeted pathogen inactivation, but was not designed to address unregulated constituents, such as n-nitrosodimethylamine (NDMA), or provide advanced oxidation. The advanced-treated water was then blended at a 1:1 ratio with raw untreated Lake Arrowhead water and subsequently treated at a conventional WTP, followed by holding in an engineered storage buffer for 24 hours before being conveyed to the distribution system. The process created an additional 5 mgd (up to 50% of daily demand) of municipal drinking water. Additionally, 2.5 mgd of brine from the MF and RO processes were discharged to the Big Wichita River under the discharge permit acquired for the Lake Kemp operation (**Figure C-5** and **Figure C-6**) (Nix 2014).

**Figure C.5 RO modules**
*(Photo credit: City of Wichita Falls)*

**Figure C.6 RO permeate**
*(Photo credit: City of Wichita Falls)*

# Permanent (Long-Term) IPR system

The IPR project will use the existing 13-mile pipeline constructed for the DPR project to complete the 15-mile pipeline from River Road WWTP to Lake Arrowhead. Wichita Falls has received a new discharge permit from TCEQ for the permanent IPR installation. The IPR project will ultimately pipe up to 16 mgd of advanced-treated (i.e., tertiary) effluent from River Road WWTP back to Lake Arrowhead, which will serve as an environmental buffer, before the water is treated at the city's conventional WTPs and distributed to customers. River Road WWTP will be retrofitted with a new phosphorous reduction process, tertiary filtration processes, and a new pump station using loan money to fund the upgrades (Ingle 2014).

# Treatment Process

## DPR

WWTP → Pipeline (including chloramine disinfectant down the pipeline) → WTP (MF → RO → UV) → Holding Lagoon (engineered storage buffer) → Blending 50-50 → Conventional WTP (chlorine dioxide pre-disinfection, chloramine primary disinfection, coagulation, lime, sedimentation, gravity media filtration, fluoridation, chloramine terminal disinfection) → Storage (engineered storage buffer) (**Figure C-7**).

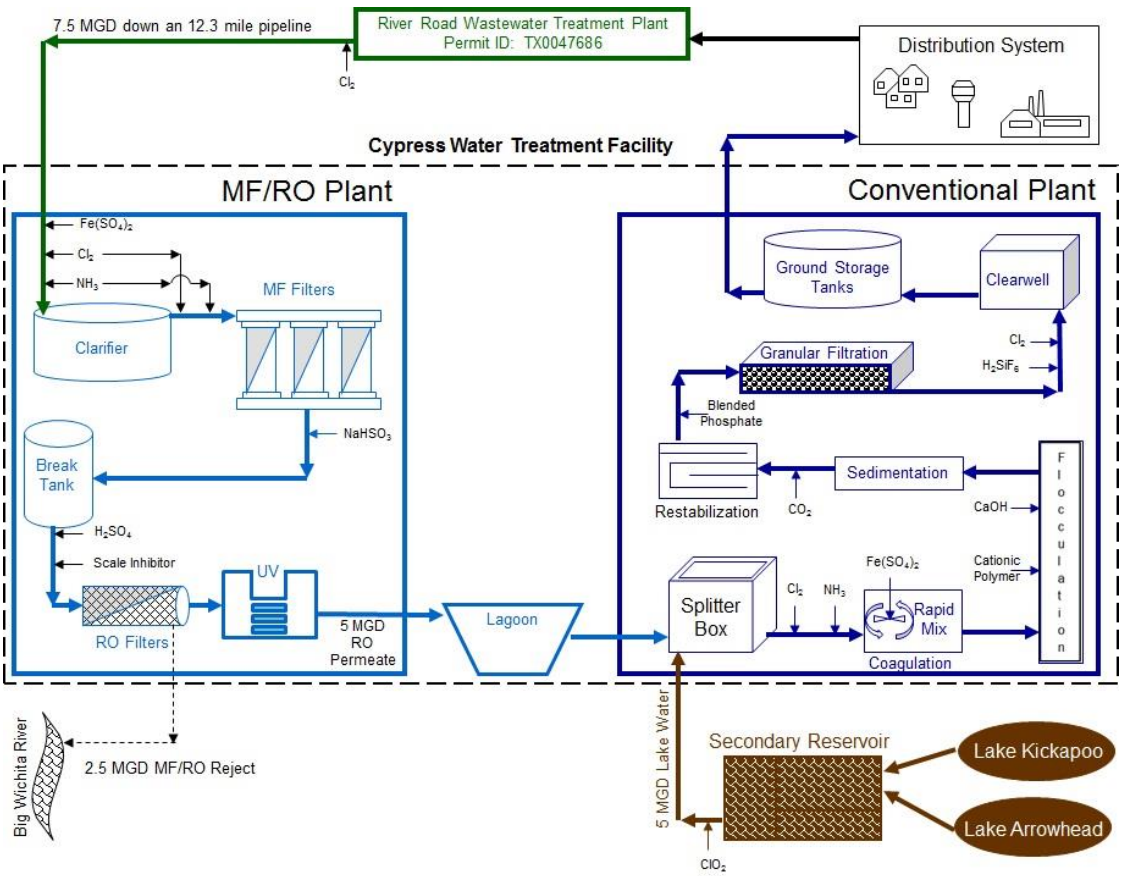


**Figure C.7 Emergency DPR treatment process flow diagram (Source: Daniel Nix)**

## IPR

River Road WWTP (upgrades will include chemical phosphorus reduction with filters and new re-aeration) → Effluent Pump station and pipeline → Lake Arrowhead (environmental storage buffer) → Conventional WTP.

## Collaboration Between TCEQ and City

Although there are no IPR or DPR regulations currently implemented in Texas, TCEQ reviews submitted project proposals individually and grants approval and discharge permits on a case-by-case basis. TCEQ approved the Wichita Falls DPR scheme after reviewing the DPR project proposal and the proposed long-term IPR system solution. Since there are no regulatory guidelines for DPR in Texas, TCEQ and the City of Wichita Falls Public Works Department collaboratively discussed the necessary treatment requirements and effluent limitations.

## DPR Permitting Process

The city worked with TCEQ for the first 9 months of 2013 to discuss how to operate the plant and received the approval to build the pipeline towards the end of 2013. Following the completion of the DPR system installation in December 2013, TCEQ worked with the city on carrying out an intense 45-day testing period, followed by 30 additional days of testing. During this full-scale verification testing, TCEQ staff spent time on-site understanding how the plant was operating and observing the lab operations. Based on the results from these full-scale verification test periods, TCEQ approved a permit on June 28, 2014 which allowed 6 months of operation. TCEQ has subsequently extended the permit based on excellent operation but required the addition of UV after the initial 6 months of operation.

## DPR Microbial Log Removal Requirements

TCEQ used the Surface Water Treatment Rules (SWTRs) as the basis for assigning log removal requirements. However, to be more conservative than required by the SWTRs, rather than using a 24-sample average concentration as the basis for assigning log removal requirements, they took the maximum concentration ever observed, and applied this standard to viruses, Giardia, and Cryptosporidium, rather than only Cryptosporidium, as required by the SWTRs.

The DPR process is required to achieve 9-log virus removal, 8-log Giardia removal, and 5.5-log Cryptosporidium removal, as specified by TCEQ. Initially, TCEQ had required 8-log virus removal but increased it to 9-log because chloramines were pre-forming at the wastewater plant; therefore, TCEQ felt that there would not be as much free chlorine disinfection occurring. Likewise, TCEQ initially required a lower Giardia removal target (6-log) but increased it to 8-log removal required after continuous effluent monitoring indicated higher concentrations of Giardia could be present in the treated wastewater than the maximum concentration observed previously. These adjustments show the adaptability on the part of TCEQ to changing conditions and the open communication between the regulators and the city with the common goal of protecting public health.

Because no daily integrity test has been demonstrated to the satisfaction of the TCEQ to date for RO, it does not give microbial log removal credits for the DPR RO elements. As a result, other employed treatment methods must successfully achieve the log removal requirements.

## IPR Permitting Process

TCEQ approved the permit for the IPR system in fall 2014, which allowed the city to go forward with design. The system is funded with a $33.5 million loan through the Texas Water Development Board and the Clean Water Act State Revolving Fund. The city is in the midst of a required archaeological investigation along the pipeline route and the design process and expects to have the permanent IPR system online and upgrades to the River Road WWTP complete by 2018.

## DPR System Monitoring

The city worked with TCEQ in a collaborative process to decide upon 42 monitoring locations and requirements within the DPR system to ensure public health was protected and off-speculation drinking water was prohibited from entering the distribution system (**Figure A.6-4**). The range of chemical and microbial constituents required for monitoring of the temporary DPR scheme were similar to the current Safe Drinking Water Act (SDWA) requirements. Constituents in the SDWA were monitored in the wastewater effluent, RO permeate before blending, lake water, and at the end of the conventional WTP. TCEQ required biweekly monitoring of Cryptosporidium, Giardia, and total culturable viruses using standard methods. A polymerase chain reaction (PCR) based method was also tried for Cryptosporidium and Giardia during verification testing but was removed from the monitoring requirements because PCR results were difficult to interpret. Other monitoring parameters included *E. coli* (daily); full metal scans; algal counts; inorganic, organic, radioactive, and secondary chemicals specified under Texas drinking water codes; and disinfection by-products. The city monitored unit processes to ensure that the required microbial log removals are being met. For example, every 8 hours, log removal credits for each disinfection zone were calculated based on disinfectant concentration and contact time. The log removal values were entered into a table with values from other unit processes and an overall observed log removal was tabulated. The DPR process regularly provided a calculated 25-log removal for viruses and 16-log removal for Giardia (compared to the 9- and 7-log removal requirements, respectively).

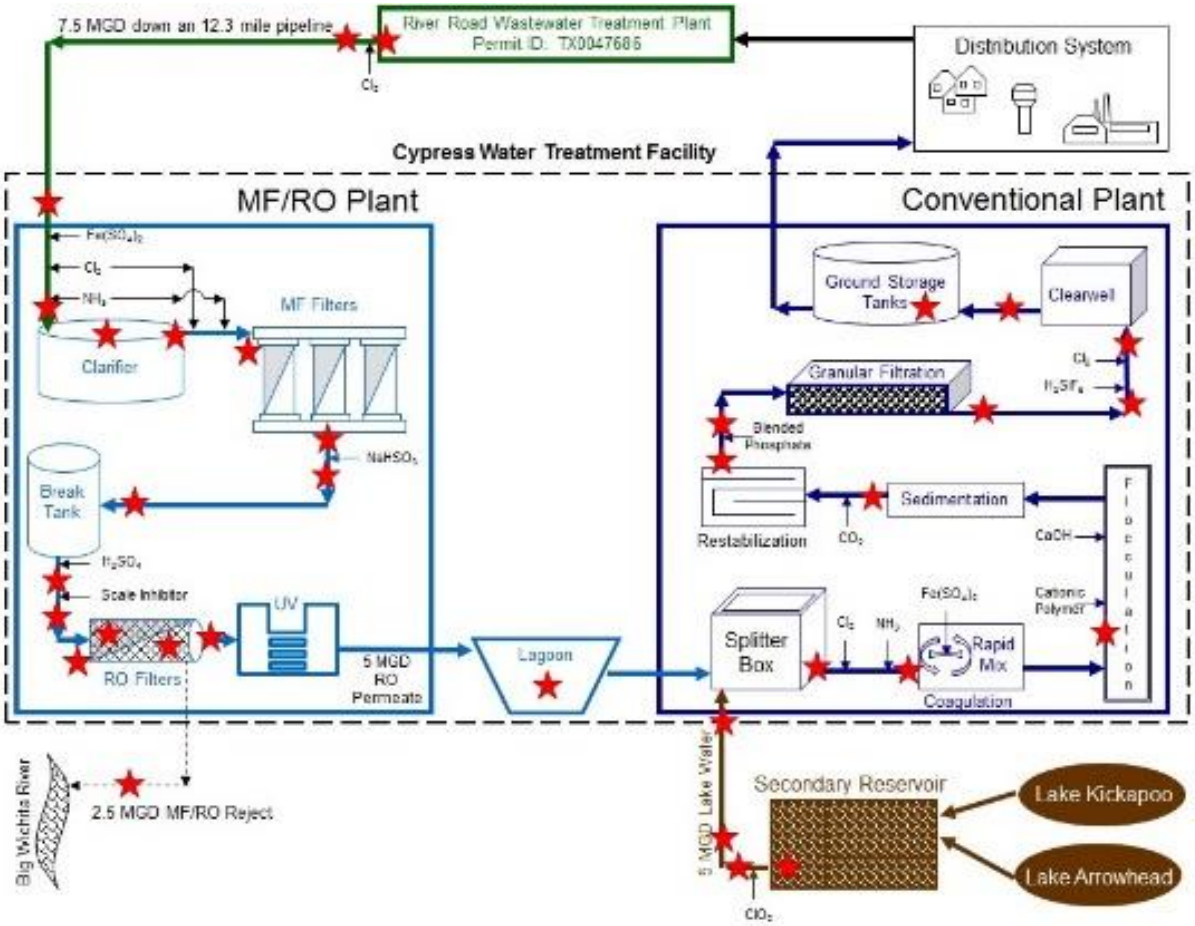


**Figure C.8 Water quality monitoring locations in Emergency DPR Project (Source: Daniel Nix)**

## Operator Certification

The City of Wichita Falls has historically produced high-quality drinking water, and prides itself on its plant operator certification system. Wichita Falls plant operators must be certified by the State of Texas and continue training throughout their career lifetime. They can achieve certification levels A through D (A being the highest achievable level). Operators must be recertified every 3 years (City of Wichita Falls 2014a). In total, the City of Wichita Falls has five Class A operators, 19 Class B operators, and 11 Class C operators (City of Wichita Falls 2014).

Because there are no specific regulations regarding operator certification for reuse, Wichita Falls implemented two additional requirements for its operators. First, water operators are required to tour the wastewater plant, so they would understand the wastewater treatment processes. Second, water operators are required to take basic wastewater, wastewater treatment, and waterborne pathogens classes. Likewise, wastewater operators are required to tour the water treatment plant (WTP) and take basic water, surface water, and waterborne pathogens classes. There is currently an ongoing effort to determine and begin a certified DPR operator program in Texas.

## Collaboration Between the County Public Health Department and the City's Public Works Department

The city had an existing local water quality task force that was established in 1997 in response to the Milwaukee Cryptosporidium outbreak. The task force is made up of members of the city's public works department and the city/county public health department. The task force has met regularly and has established protocols for what action and communication is required in the case of unexpected process upsets or disease outbreaks observed in the population. TCEQ has attended one of the task force meetings to observe how information and data are exchanged. This relationship is unique and helps to guarantee public health safety.

## Leadership

The director of the city's public works department and the utilities operations manager were trailblazers with DPR. However, they also felt that the science was already proven and there was nothing innovative technically—all of the components had been previously studied for four decades or more. Wichita Falls simply did extensive research to assemble and digest published literature from the United States, Australia, Europe, and Japan, and then put the pieces together.

## Public Outreach

Public outreach techniques were used to educate doctors, professors of environmental science and chemistry, and the general public (Dahl 2014). Ensuring the community was comfortable with the potable reuse concept immensely helped the project's evolution. The leadership of the Public Works Department feels that the DPR and IPR projects have been 100% transparent with the citizens and that they could not have succeeded without the support of the community.

## Public Perception

City and state officials did not receive any complaint calls regarding taste during DPR operations. In fact, some residents felt the water tasted better since the DPR scheme was brought online.

The public works department monitored bottled water sales at the three large Walmart retailers in town. Water bottle sales increased by about 9% after DPR was brought online, indicating that some residents may have switched from tap water to bottled water for drinking; but the majority of the population did not begin buying bottled water. City residents have embraced their place in history as a leader in DPR (**Figure C-9**).

**Figure C.9 T-shirts sold in Wichita Falls touting DPR.**
*(Photo credit: F5 Concepts, Inc.)*

# References

City of Wichita Falls. 2014. Wichita Falls Direct Potable Reuse Project: Complete Detail. Retrieved December 2014 from http://www.wichitafallstx.gov/DocumentCenter/View/21987.

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Nix, D. 2014. City of Wichita Falls Water Conservation and Emergency Direct Potable Reuse. PowerPoint Presentation at North Central Texas American Water Works Association Meeting.

This part is different/ out-of-date from what was officially published in the 2017 compendium Need to double check that all other text is updated

# Appendix D
# Reuse Updates to the WIT Model

As part of the City of Georgetown Integrated Water Resources Plan (IWRP) a system model was created using the Water Integration Tool (WIT) in Powersim®. The model simulates changes to surface water, groundwater, and recycled water budgets with changing hydrology and new project implementation. The model included all existing City water supplies (i.e., Brazos River Authority provided surface water, City of Leander contract water, Brushy Creek Regional Utility Authority contract water, and Edwards aquifer supply), all existing wastewater treatment plants (i.e., Pecan Branch, Berry Creek, Dove Springs, San Gabriel, and Cimarron Hills), and all future supply options explored within the IWRP (Hosston groundwater, regional groundwater, new groundwater, Lake Granger flood flows, Lake Georgetown flood flows, aquifer storage and recovery, and new reclaimed water use).

As part of the City of Georgetown Reuse Water Assessment, the model was updated to include planned future wastewater facilities and incorporate the latest reuse project recommendations.

## Model Updates

The following sections describe updates made within the model.

### Future Wastewater Facilities

The planned future Three Forks WWTP and Northlands WWTP were added into the model and the planned future capacities of all facilities were adjusted to match assumptions with the reuse assessment. **Table 1** lists the treatment capacities included within the model.

**Table 1. Wastewater Facility Capacities with the WIT Model**

| Facility | Capacity (Year) |
|---|---|
| Berry Creek WWTP | 0.3 MGD |
| Cimarron Hills WWTP | 0.2 MGD |
| Dove Springs WWTP | 1.7 MGD; 6.5 MGD (2032); 10 MGD (2065) |
| Pecan Branch WWTP | 1.5 MGD; 3 MGD (2030) |
| San Gabriel WWTP | 2.5 MGD |
| Three Forks WWTP (Future) | 0 MGD; 10.5 MGD (2032); 21.0 MGD (2065) |
| Northlands WWTP (Future) | 0 MGD; 1 MGD (2032); 7.2 MGD (2065) |

### New Groundwater Supply

The City of Georgetown is currently pursuing a partnership with Edmonton Power Corporation (EPCOR) to secure additional water supply from the Carrizo-Wilcox Aquifer in Robertson County. The current proposed take-down schedule for the partnership was entered into the model as shown in **Table 2**. Currently contracted for 40,000 AFY but under negotiations to amend the transport permits to increase to 70,000 AFY.

**Table 2. Proposed Schedule of Supply of New Groundwater**

| Year | Volume Available (AFY) |
|---|---|
| 2024 | 0 |
| 2029 | 16,000 |
| 2034 | 32,000 |
| 2039 | 52,000* |
| 2044 | 64,000* |
| 2049 | 70,000* |

* Volume held to 40,000 AFY if additional transport permits are not approved.

### Recommended Reclaimed Water Projects

The model updates incorporated the following two recommendations from the reuse assessment:

- **Non-potable water system from Dove Springs:** Dove Springs now has the option in the model to supply existing and future non-potable reuse customers to the south and west of the plant. Available supply is assumed at 1.0 MGD in 2027 with an additional 1.5 MGD in 2030.
- **Indirect Potable Reuse via Lake Granger:** Indirect potable reuse via Lake Granger was already a supply option within the model. Effluent from the WWTPs is conveyed via the San Gabriel River to Lake Granger where it is treated and pumped back to Circleville and then the city distribution system. With the addition of the new Three Forks WWTP into the model, its effluent was also now included in the available supply for indirect potable reuse.

## Results

Once all updates to the model were made, the model was run to confirm that future demands could be met with the currently modelled planned supplies. **Figure 1** shows how new supplies are combined in the model to meet growing demands. Neither new groundwater nor reclaimed water is used at the full available capacity but proportioned to meet demand. Additional supply would be available to meet additional growth or during years with higher demands.

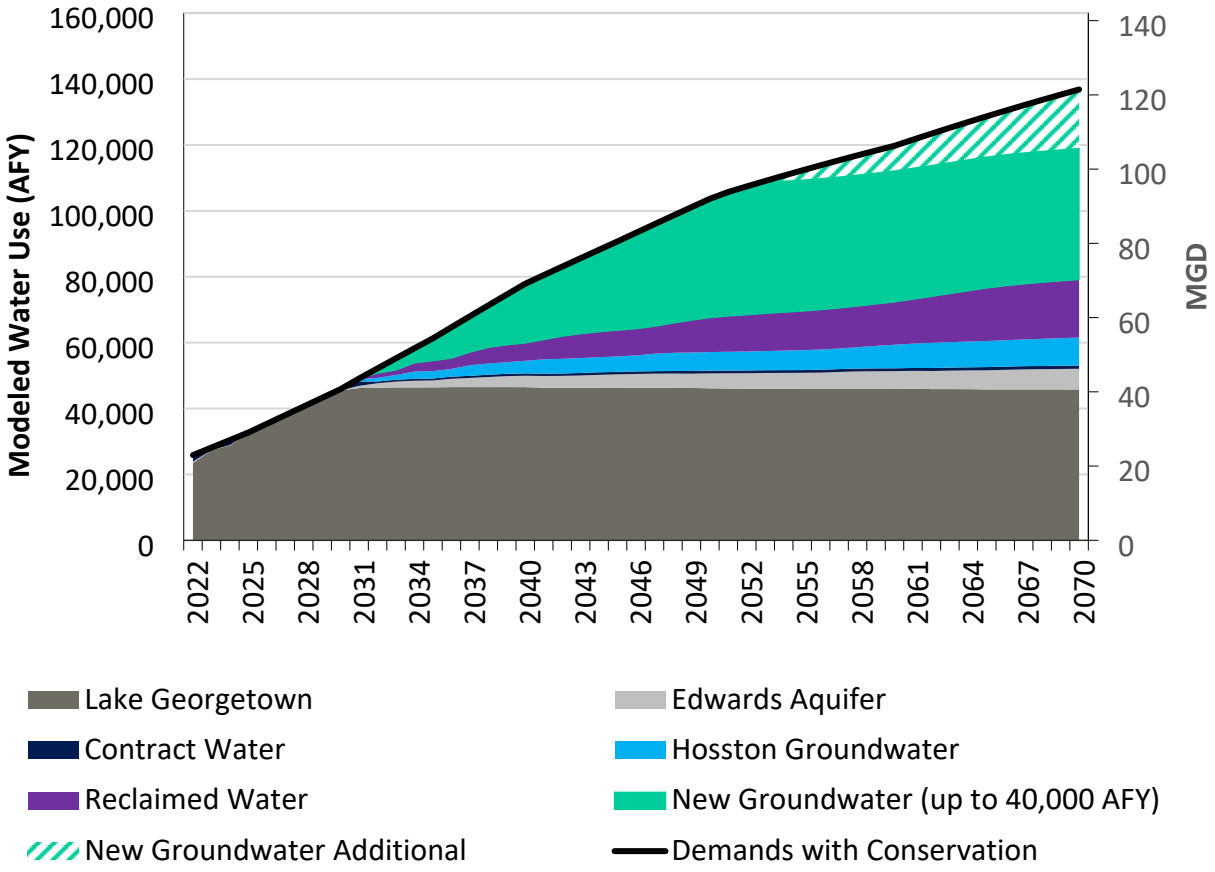


**Figure 1. Modeled Supply over 50-year Planning Horizon**

# Appendix E
# Return Flow Analysis

## Background

As part of ongoing work on the City of Georgetown Reuse Assessment Report, CDM Smith evaluated reuse water projects for potential future water supply. One recommended project from the assessment is indirect potable reuse via Lake Granger. Under this supply option, treated effluent from the planned Three Forks Wastewater Treatment Plant would be conveyed via the San Gabriel River to Lake Granger under a bed and banks permit. From Lake Granger, the water would be treated at the East Williamson County Water Treatment Plant and pumped to Circleville for storage and conveyance back to the City of Georgetown distribution system.

As part of investigating the feasibility of this supply option, this memo outlines the expected impact on the firm yield and spills at Lake Granger from consistent return flows from City of Georgetown WWTPs. The analysis was performed using the Microsoft Excel-based Brazos River Authority (BRA) Williamson County Regional Raw Water System Simulation Model. The model includes simulation of Lake Granger, Lake Georgetown, Lake Stillhouse Hollow, and Lake Belton.

## Analysis

As part of the analysis, the following inputs were adjusted within the model:

- **Demands (for Lake Belton, Lake Stillhouse Hollow, and Lake Georgetown users):** The demand year within the model was set to 2070. This assumes most users of Lake Belton, Lake Stillhouse Hollow and Lake Georgetown are using their full contract values from BRA.
- **Demand (for Lake Granger):** The City of Taylor and Jonah SUD are listed within the model as Lake Granger users. However, for the analysis a single demand was placed on Lake Granger and varied to determine the firm yield for a given condition.
- **Return Flow from the City of Georgetown to Granger:** The City of Georgetown annual demand within the model is 45,707 acre-feet per year (AFY). While the City's total water demand is higher than this, the value represents the contracted supply from BRA. The percentage of this demand returned to Lake Granger was varied from 0 to 100 percent. In the future, City of Georgetown return flows to Lake Granger could be greater than the BRA contracted value as water supply from other sources such as groundwater is also returned to the river and reservoir via the WWTPs.

## Results

For each assumed percentage of return flows, the model was run iteratively placing increasing demands on Lake Granger until there was a predicted shortage. The demand prior to their being a shortage was used as an estimate of the firm yield for the reservoir. The firm yield represents the maximum amount of water the reservoir can provide during a repeat of the worst drought on record. The model uses historic hydrology from 1941 through 2013 with the drought of record occurring in the 1950s. The average annual spills from the reservoir with the assumed returned flows and matching firm yield demand were also recorded. Results are shown in **Table 1**, **Figure** 1 and **Figure 2**.

**Table 1: Model Results**

| Georgetown to Lake Granger Return Flow (%) | Georgetown Return Flow (AFY) | Granger Firm Yield (AFY) | Granger Average Annual Spills (AFY) |
|---|---|---|---|
| 0% | - | 21,000 | 109,395 |
| 10% | 4,571 | 26,000 | 109,009 |
| 20% | 9,141 | 30,000 | 109,552 |
| 30% | 13,712 | 35,000 | 109,166 |
| 40% | 18,283 | 39,000 | 109,710 |
| 50% | 22,854 | 44,000 | 109,324 |
| 60% | 27,424 | 48,000 | 109,868 |
| 80% | 36,566 | 57,000 | 110,027 |
| 100% | 45,707 | 66,000 | 110,188 |

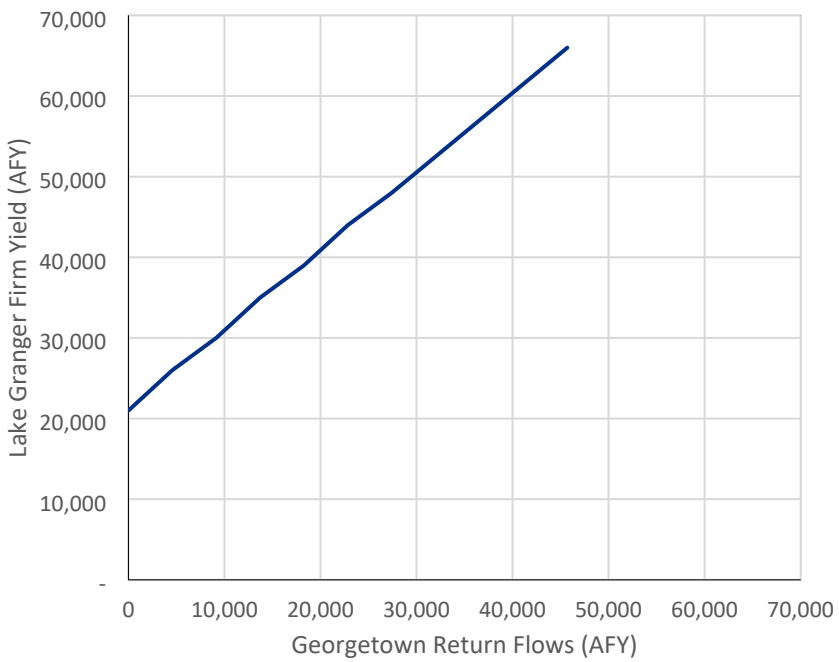

**Figure 1: City of Georgetown Return Flow Impact on Lake Granger Firm Yield**

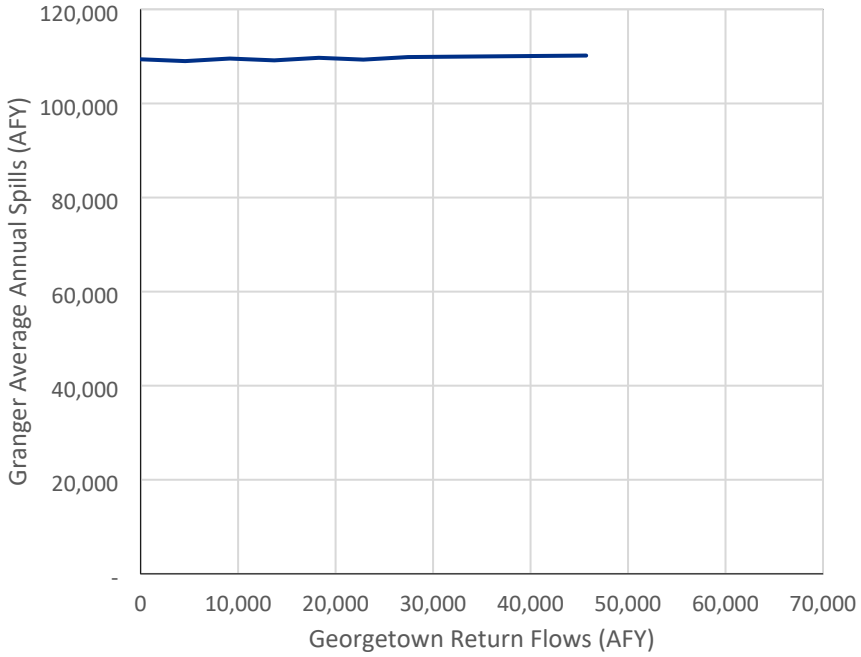


**Figure 2: City of Georgetown Return Flow Impact on Lake Granger Spills**

## Conclusion

The firm yield of Lake Granger was shown to increase linearly at a proportionate amount as the return flows from the City of Georgetown increased. As the drought of record in the 1950s was a long multi-year drought, any new inflows added to the reservoir during that time period would be stored and available for withdrawal.

The spills from Lake Granger downstream remained consistent across the model runs. The new return flows added to the reservoir were balanced by the matching increased demand out of the reservoir.

The analysis shows that return flows added to Lake Granger by the City of Georgetown would increase the firm yield of the reservoir and provide additional supply the City could withdraw for reuse. Adding then withdrawing the water would not be expected to impact downstream users.

# Appendix F
# Lake Granger Uncontrolled and Controlled Flows Analysis

## Background

As part of ongoing work on the City of Georgetown Water Reuse Assessment Report, CDM Smith evaluated reuse water projects for potential future water supply. One recommended project from the master plan is indirect potable reuse via Lake Granger. Under this supply option, treated effluent from the planned Three Forks Wastewater Treatment Plant (WWTP) and Northlands WWTP would be conveyed via the San Gabriel River to Lake Granger under a bed and banks permit.

Return flows to Lake Granger remain fairly constant and are further discussed in Appendix E, but uncontrolled flows into Lake Granger vary significantly throughout the year so there are periods of time when the majority of the flows into Lake Granger will be returned into the City's use. CDM Smith led a small analysis of historical data to estimate how much and when we can expect flows from these two sources to dominate the flows into Lake Granger.

## Analysis

Using the USGIS water data, CDM Smith set up a calculation to sum up the following segments that feed into Lake Granger and identified their contributing drainage areas as below:

- North Fork San Gabriel River: 248 square miles
- South Fork San Gabriel River: 133 square miles
- Willis Creek near Granger Lake: 57.8 square miles
- Berry Creek at Airport Road: 74.1 square miles
- Lake Granger: 709 square miles

Next we found the median for each month from the USGS data available for the gages at Willis Creek, North Fork San Gabriel, South Fork San Gabriel and Berry Creek. We had varying number of years available for each site, but took all that was available into consideration to give a range of flows over the available span on a monthly basis. Then uncontrolled and metered flows were summed for each month and the 7 MGD, 10.5 MGD, and 21 MGD flows as fixed values to get a flow percentage. Note that North Fork San Gabriel River was not used to calculate uncontrolled flows since it is mostly controlled by the dam, but it was included in metered values. Berry Creek only contributed to the median flows in April and May.

## Results

Flow percentages are presented in **Figure 1** below. Note that Three Forks WRF discharge flows will be major contributors during the late summer and early fall months.

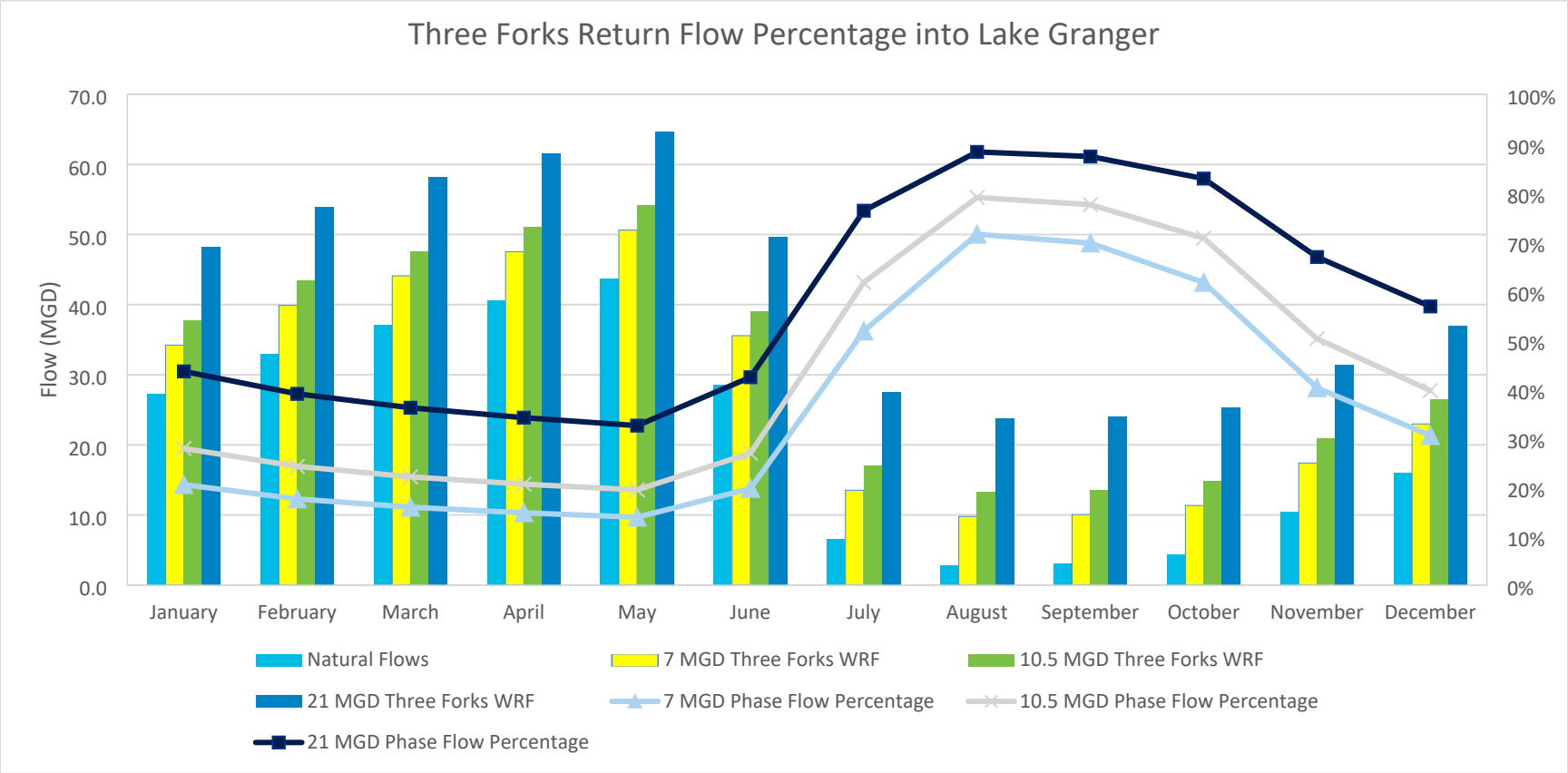


**Figure 1: Median historical flows into Lake Granger from uncontrolled and metered sources.**

# Appendix G
# Rate Analysis

Docusign Envelope ID: 68FF1B9E-F528-475B-84E4-7D2171A7848B

NewGen Strategies & Solutions
275 W Campbell Road
Suite 440
Richardson, TX 75080
Phone: (972) 680-2000

# Memorandum

**To:** Allen Woelke, P.E., Vice President CDM Smith

**From:** Matthew B. Garrett, Partner

**Date:** August 21, 2025

**Re:** Rate Analysis for the Georgetown Reuse Water Assement Report

Dear Mr. Woelke:

NewGen Strategies and Solutions, LLC (NewGen) is pleased to submit this summary of our results from the Services in Connection with the Georgetown Reuse Water Assessment Study (Study) to CDM Smith Inc. (CDM). As part of this Study, NewGen's Project Team (Project Team) analyzed both the City of Georgetown (City) Integrated Water Resources Plan (IWRP) and the Water Reuse Master Plan Report (Report). In 2023, the IWRP recommended different portfolios of new water supply projects to meet projected future water needs over the next fifty (50) years. In 2024, the Report was produced to evaluate the identified projects in more detail. CDM engaged NewGen to perform services in connection with this project including assisting CDM and the City to understand and evaluate the impact of these funding options on the rate, as well as the "opportunity cost," or next best option of not including this reuse back into the City's source of supply for treated water needs. This comparison may help in developing a payment plan, which can best minimize impact to customers, while supporting the City's financial position, paying back the sources of funding, and evaluating the appropriate level of "subsidy" if any, for this service.

As requested by the City, NewGen is providing four (4), five (5)-year forecasts to compare the impact to customer rates with an established baseline forecast and explain any deviations that may be required from the baseline.

The Project Team began by reviewing the Report and the IWRP. Based on conversations with CDM and the City, particular attention was given to the projects listed in Section 3.2.1 of the Report, Non-Potable Reuse Options. These projects are listed below. The one addition to the list is the Three Forks Wastewater Treatment Plant (WWTP) to Airport Pump Station (PS) to Berry Creek Project, which is listed in Section 4.2, Other Beneficial Projects.

- Three Forks WWTP to Lake WTP Elevated Storage
- San Gabriel WWTP to Lake WTP Elevated Storage
- Northlands WWTP Elevated Storage
- Dove Springs WWTP to South
- Dove Springs WWTP to West
- Three Forks WWTP to Airport PS to Berry Creek

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For each of these projects, the Project Team's analysis included but was not limited to:

- The timing of each project's award, completion, and ramp up time, and how these effect revenues and expenses;
- The cost of each project, associated debt and its structure, and future changes to operations and maintenance (O&M) costs, and unit costs;
- The effect each project would have on volumes available for potential reuse water and potable water. Some projects were necessary to sustain the currently available reuse water; and
- Current customer contracts.

The reuse system has twelve (12) paying customers accounts listed below. Berry Creek Golf Course is a customer, however based on their current contract, they do not pay for reuse water.

- City of Georgetown (COG) Pump Sun City Lift Station
- Sun City Texas Community Association
- Cimarron Hills 2009, LP
- COG Parks & Recreation (PARD) McMaster Athletic Complex
- COG PARD Admin
- COG PARD San Gabriel Park Baseball Field
- COG PARD San Gabriel Park Community Center
- COG PARD San Gabriel Park Event Lawn
- COG PARD San Gabriel Park Youth Baseball
- Georgetown (GTWN) Country Club
- GTWN Youth Baseball Association
- Southwestern University Non-Potable Irrigation

Monthly conference calls were held with CDM, City staff, and the Project Team to confirm or better understand the data provided, refine future projections, and receive further direction. Additional meetings were held, as necessary.

As with any study, some assumptions must be made. Inflationary assumptions were applied from the Water and Wastewater Model. Annual debt payments for the Reuse System are from the Water and Wastewater Model.

As of March 2025, the City's reuse five (5)-year Capital Improvement Plan (CIP) includes one (1) reuse project. The $2.5 million San Gabriel Reuse Irrigation Improvements Project is scheduled to begin in Fiscal Year (FY) 2026 with $0.5 million of debt financing. In FY 2027 the remaining $2 million is expected to be debt financed. The Water and Wastewater Model provided term options of eight (8), twenty (20), or thirty (30) years. Terms of thirty (30) years were assumed to mitigate the financial impact of the new debt.

While the Water and Wastewater Model reflected growth in water and wastewater beyond 2026, the model reflected no growth in reuse. The reuse (irrigation) expense budget also increased. The original reuse expense budget for FY 2025 was $604,167, before franchise or Payment in Lieu of Tax (PILOT) fees. The reuse expense budget for FY 2026 is $1,575,955 also before franchise or Payment in Lieu of Tax (PILOT) fees. This increase was primarily due to a reallocation of costs that are shared with water and wastewater.

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Based on current assumptions, the Project Team proceeded to look at the Study from four (4) different scenarios:

1. No Reuse Rate change with no CIP Project
2. Reuse Rate changes from the Water And Wastewater Model with the CIP Project (Baseline)
3. Full Coverage Reuse Rate with no CIP Project
4. Full Coverage Reuse Rate with the CIP Project

## No Reuse Rate Change

To offer a minimal contrast, if there was no CIP project and the reuse rate remained at $1.80, in FY 2026, expenses would exceed revenues by approximately $628,000. The difference between revenues and expenses would continue to grow to approximately $1,041,000 in FY 2030, as illustrated in Table 1.

**Table 1.**
**Reuse Revenue Less Expenses With No Rate Change and No CIP Project**

| ($K) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Revenues With No Rate Change | $1,053 | $1,053 | $1,053 | $1,053 | $1,053 |
| Expenses With No CIP | $1,681 | $1,769 | $1,938 | $2,010 | $2,094 |
| Difference ($) | ($628) | ($715) | ($884) | ($956) | ($1,041) |

## Reuse Rate Changes From The Water And Wastewater Model

The Project Team incorporated the reuse rates in the Water and Wastewater model. In this scenario, the projected debt financing of the CIP project referenced above was applied. These rates are the result of rate increases of 8.5% and will be referred to as the baseline reuse rates. The result is a FY 2026 rate of $1.95. The rate increases by 8.5% each year through FY 2030, when the rate reached $2.71, as shown below in Table 2.

**Table 2.**
**Baseline Reuse Rate Increases – With CIP Project (Baseline)**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Baseline Rates | $1.95 | $2.12 | $2.30 | $2.49 | $2.71 |
| Difference Yr to Yr ($) | $0.15 | $0.17 | $0.18 | $0.20 | $0.21 |
| Difference Yr to Yr (%) | 8.5% | 8.5% | 8.5% | 8.5% | 8.5% |

The Water and Wastewater Model included a franchise fee, 3% of revenue and a return on investment (ROI) or PILOT fee of 7% of revenue, which are both paid to the General Fund. As rates and revenue adjust, so do the expense transfers. In FY 2026, if debt were issued as described above and the reuse rate increased by 8.5%, expenses would exceed revenues by approximately $570 thousand. The difference between revenues and expenses would continue to grow to approximately $841 thousand in FY 2030, as illustrated in Table 3.

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**Table 3.**
**Reuse Revenue Less Expenses With Rate Change and CIP Project**

| ($K) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Baseline Revenues | $1,118 | $1,187 | $1,262 | $1,344 | $1,433 |
| Baseline Expenses | $1,688 | $1,807 | $2,086 | $2,176 | $2,274 |
| Difference ($) | ($570) | ($620) | ($824) | ($831) | ($841) |
| Difference (%) | (33.8%) | (34.3%) | (39.5%) | (38.2%) | (37.0%) |

Comparing the baseline reuse rates with the proposed potable rates in the Water Rate Study, in FY 2026 the potable water rate would exceed the baseline rate by $0.80 or 29.0%. Due to the proposed potable rate increasing faster than the baseline rate this difference would continue to grow. By FY 2030 the potable rate would exceed the FY 2030 baseline rate by $1.14 or 29.7%, as shown in Table 4 below.

**Table 4.**
**Baseline Reuse Rate vs Proposed Potable Rate – No CIP Project**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Baseline | $1.95 | $2.12 | $2.30 | $2.49 | $2.71 |
| Potable | $2.75 | $3.00 | $3.25 | $3.55 | $3.85 |
| Difference ($) | ($0.80) | ($0.88) | ($0.95) | ($1.06) | ($1.14) |
| Difference (%) | (29.0%) | (29.4%) | (29.3%) | (29.7%) | (29.7%) |

## Full Coverage Reuse Rate Change

In FY 2026, if the rate is increased to fully cover the expenses without the CIP project, the full coverage reuse rate would increase from $1.80 in FY 2025 to $3.47 in FY 2026. This would be a 92.8% increase. Increases in FYs 2027, 2028, and 2029 would require increases of 7.2%, 12.9%, and 4.8%, respectively. In FY 2030, the full coverage reuse rate increase necessary to keep up with expenses is forecasted to be 5.2%, resulting in a rate of $4.63, as shown in Table 5 below. The volatility of the rate increases is related to the large increase in expenses in FY 2026 and the timing of debt issuances.

**Table 5.**
**Full Coverage Reuse Rate With No CIP Project - Increases**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Full Coverage - No CIP Proj | $3.47 | $3.72 | $4.20 | $4.40 | $4.63 |
| Difference Yr to Yr ($) | $1.67 | $0.25 | $0.48 | $0.20 | $0.23 |
| Difference Yr to Yr (%) | 92.8% | 7.2% | 12.9% | 4.8% | 5.2% |

Reviewing the full coverage reuse rates with no CIP project, FYs 2026 through 2030 are expected to have marginal surpluses of funds ranging from $1 thousand or 0.1% to $26 thousand or 1.2%, as illustrated in Table 6 below. These surpluses are attributable to the rounding of rates up to the next full penny.

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**Table 6.**
**Full Coverage Reuse Revenue Less Expenditures With No CIP Project**

| ($K) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Revenues – No CIP Proj | $1,753 | $1,857 | $2,058 | $2,142 | $2,238 |
| Expenses - No CIP Proj | $1,751 | $1,849 | $2,038 | $2,118 | $2,212 |
| Difference ($) | $1 | $8 | $20 | $24 | $26 |
| Difference (%) | 0.1% | 0.4% | 1.0% | 1.1% | 1.2% |

Comparing the full coverage reuse rates with no CIP project, with the proposed potable water rates in the Water and Wastewater Rate Study, in FY 2026 the reuse rate would exceed the potable rate by $0.72 or 26.2%. By FY 2030, the full coverage reuse rate with no CIP project would exceed the FY 2030 potable rate by $0.78 or 20.3%. The percentage difference is narrowing, due to the proposed potable rate increasing at a faster pace than the full coverage reuse rate with no CIP, as shown in Table 7 below.

**Table 7.**
**Reuse Rate vs Proposed Potable Rate – No CIP Project**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Reuse Rate - No CIP | $3.47 | $3.72 | $4.20 | $4.40 | $4.63 |
| Potable Water Rate | $2.75 | $3.00 | $3.25 | $3.55 | $3.85 |
| Difference ($) | $0.72 | $0.72 | $0.95 | $0.85 | $0.78 |
| Difference (%) | 26.2% | 24.0% | 29.2% | 23.9% | 20.3% |

## Full Coverage Reuse Rate

The Project Team incorporated the projected cost of debt financing the capital project referenced above into the financial planning model to assure a scenario in which the project can be implemented in the desired timeline within a potentially available budget. In FY 2026, if the rate increased by 92.8% to $3.47, revenues would be expected to exceed expenses including the CIP project. To fully cover expenses, increases in FYs 2027, 2028, and 2029 would require increases of 8.9%, 19.3%, and 4.9%, respectively. In FY 2030 the increase to the reuse rate necessary to keep up with expenses is forecasted at approximately 5.1%, as shown in Table 8 below. As mentioned in scenario No. 3, the volatility of the rate increases is related to the large increase in expenses in FY 2026 and the timing of debt issuances.

**Table 8.**
**Full Coverage Reuse Rate With CIP Project - Increases**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Full Coverage | $3.47 | $3.78 | $4.51 | $4.73 | $4.97 |
| Difference Yr to Yr ($) | $1.67 | $0.31 | $0.73 | $0.22 | $0.24 |
| Difference Yr to Yr (%) | 92.8% | 8.9% | 19.3% | 4.9% | 5.1% |

Reviewing the full coverage reuse rates with the CIP project, FYs 2026 through 2030 are expected to have a marginal surplus of funds, ranging from approximately $1,000, or 0.1%, to approximately $12,000, or

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0.5%, as illustrated in Table 9 below. These surpluses are attributable to the rounding of rates up to the next full penny.

**Table 9.**
**Full Coverage Reuse Revenue less Expenditures With CIP Project**

| ($K) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Revenues - CIP | $1,753 | $1,882 | $2,188 | $2,280 | $2,380 |
| Expenses - CIP | $1,751 | $1,877 | $2,179 | $2,269 | $2,369 |
| Difference ($) | $1 | $5 | $9 | $11 | $12 |
| Difference (%) | 0.1% | 0.3% | 0.4% | 0.5% | 0.5% |

When comparing the full coverage reuse rate that includes the CIP project with the potable rate proposed in the Water Rate Study, in FY 2026, the full coverage reuse rate would be $0.72 or 26.2% more than the proposed FY 2026 potable rate. By FY 2030, the full coverage reuse rate would be $1.12 or 29.1% higher than the proposed FY 2030 potable rate, as shown in Table 10 below.

**Table 10.**
**Full Coverage Reuse Rate With CIP Project vs Proposed Potable Rate**

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|---|---|---|---|---|---|
| Full Coverage | $3.47 | $3.78 | $4.51 | $4.73 | $4.97 |
| Potable Water Rate | $2.75 | $3.00 | $3.25 | $3.55 | $3.85 |
| Difference ($) | $0.72 | $0.78 | $1.26 | $1.18 | $1.12 |

## Comparing Both Scenarios That Include the CIP Project

There are two (2) of the four (4) scenarios from above that include the CIP project. The baseline rate and the full coverage reuse rate with the CIP project both include the CIP Project. Therefore, they have very similar expenses, but because the baseline rate is increasing by 8.5% and the full coverage rate covers all of the expenses, the rates and revenues are quite different.

Figure 1 shows a comparison of the revenues generated by the baseline rate and the full coverage reuse rate with the CIP project. In FY 2026, the full coverage reuse rate generates approximately $1,753,000 in revenue, approximately $635,000 more than the baseline rate that is generating approximately $1,118,000. By FY 2030, this difference has grown to approximately $947,000, as the full coverage reuse rate generates approximately $2,380,000 in revenue and the baseline rate generates approximately $1,433,000.

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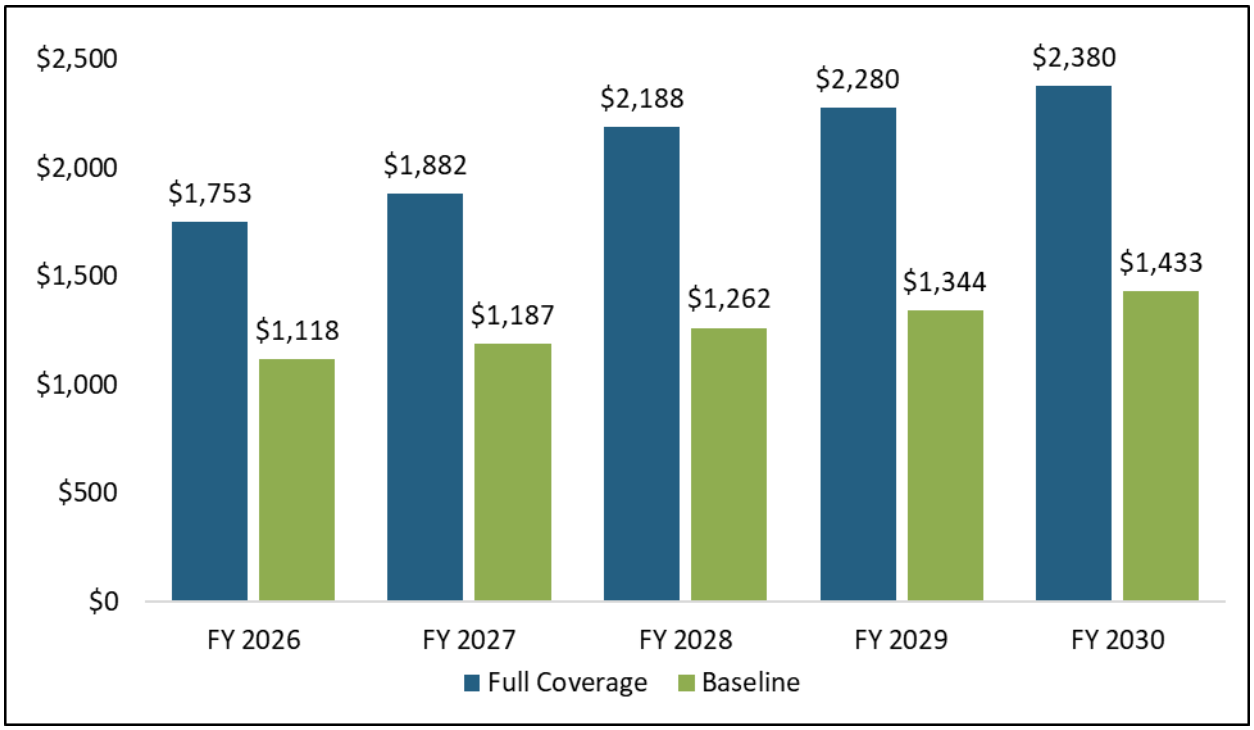


Figure 1. Revenues With CIP Project

As stated above, the expenses of these two (2) scenarios are very similar. The only differences are the franchise and PILOT fees. The franchise and PILOT fees are based on revenues, which as seen in Figure 1 above, have differences ranging from approximately $635,000 to approximately $947,000. In FY 2026 the full coverage reuse rate scenario has expenses of approximately $1,751,000, approximately $64,000 more than the baseline rate that has approximately $1,688,000 in expenses. By FY 2030, this subtle difference has grown to approximately $95,000 as the full coverage reuse rate scenario has approximately $2,369,000 in expenses and the baseline rate scenario has approximately $2,274,000 in expenses, as shown below in Figure 2.

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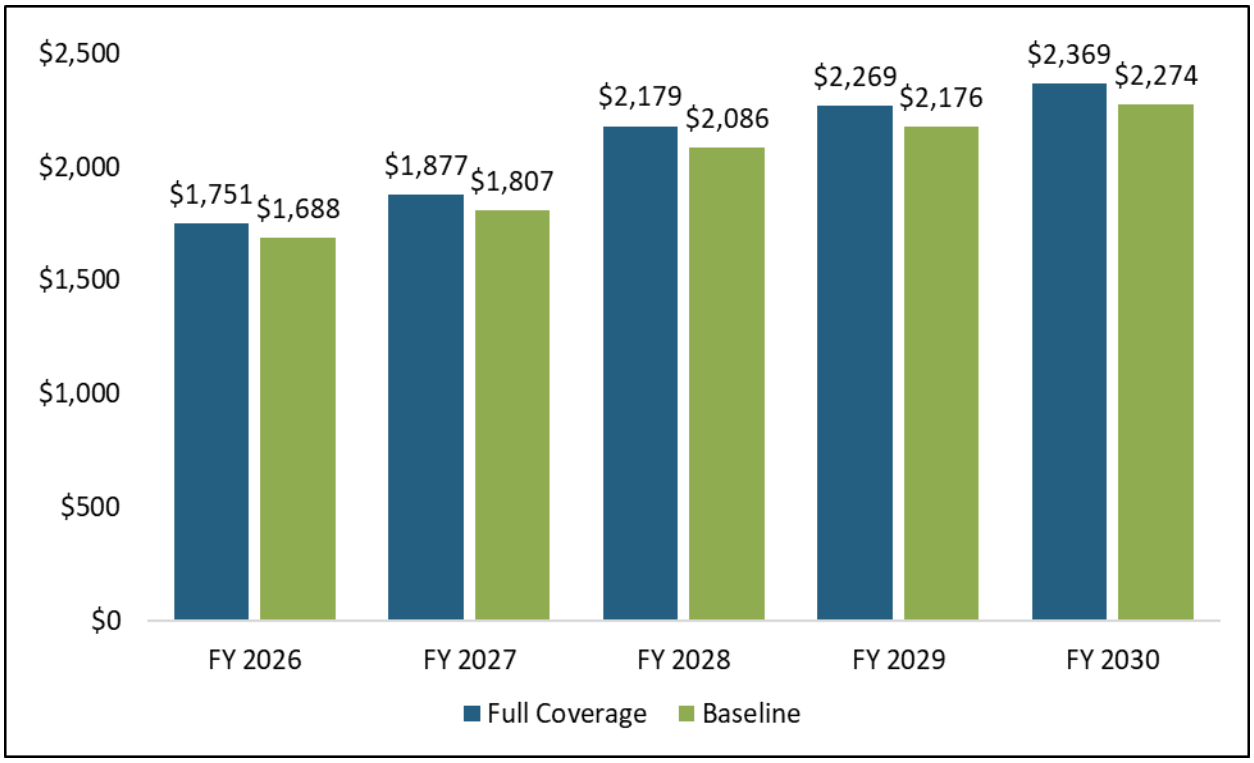


Figure 2. Expenses With CIP Project

As the baseline reuse rates increase 8.5% each year and the full coverage with the CIP project reuse rates increase as needed to fully cover the expense costs, this results in FY 2026 full coverage with the CIP project reuse rate of $3.47 which is 78% more than the baseline reuse rate at $1.95. As both rates increase each year, in FY 2030 the full coverage with the CIP project reuse rate reaches $4.97 which is 84% more than the baseline reuse rate at $2.71, as seen in Figure 3 below.

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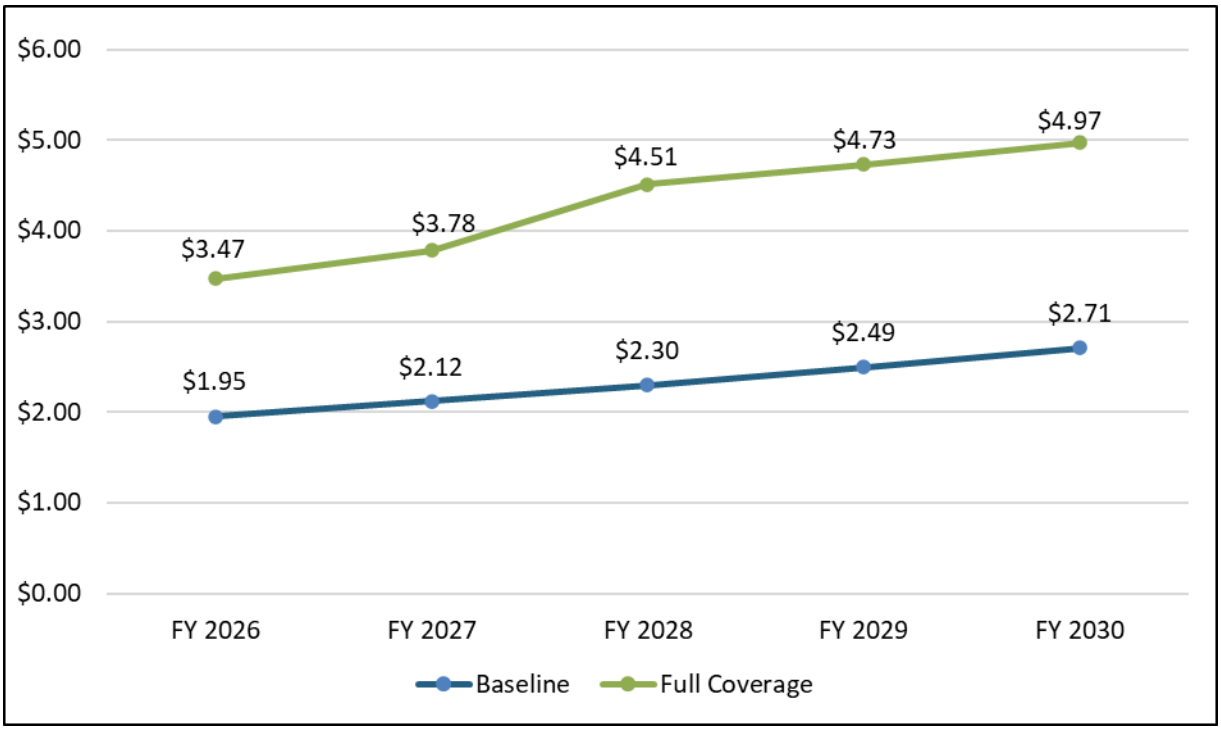


Figure 3. Rates

## Beyond FY 2030

Beyond 2030, there are three (3) other reuse projects currently being considered (These are three (3) of the original projects listed above.):

1. Berry Creek WWTP Consolidation Alternative, also known as Three Forks WWTP to Airport PS to Berry Creek: With the larger Three Forks WWTP planned, wastewater flows can be rediverted from Berry Creek WWTP to Three Forks WWTP. This would allow Berry Creek WWTP to be decommissioned. Utilizing Three Forks WWTP effluent, a new pump station and pipeline could continue to supply the Berry Creek golf course with their contracted reuse water. This project has a conceptual capital cost of $3.4 million and annual operations cost of the new pump station are estimated at $54,750, but these costs would be mitigated by the operational savings of decommissioning the Berry Creek WWTP. This project does not create new flow. However, this project connects to flow from the future Three Forks WWTP.
2. Northlands WWTP Elevated Storage: This storage facility could be used to serve two (2) new customers to the west of the facility and would provide a new available flow of 0.5 million gallons per day (mgd). This project has a conceptual capital cost of $10.3 million and annual operations cost are estimated at $91,250, resulting in an estimated unit water cost of $5.03 per thousand gallons.

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3. Dove Springs WWTP to West: This project would result in an available new flow of 1.5 mgd. The conceptual capital cost is $33.5 million and annual operations cost are estimated at $273,750, resulting in an estimated unit water cost of $5.41 per thousand gallons. This project is included with the reuse projects. While this is expected to increase flows for potential reuse, it is NewGen's understanding that the current flow from Dove Springs WWTP is enough to supply the golf course at Cimarron Hills WWTP, allowing Cimarron Hills WWTP to be decommissioned.

## Benefits and Drawbacks to Reuse Water

Reuse water may or may not be in a utility's best interest to pursue reuse. Some cities are implementing reuse water into their system. Other cities are increasing their utilization of reuse water. Potential reasons for adding or increasing their intake of reuse water include, but are not limited to:

- **Reliability**: Reuse water is a consistent supply and less impacted by drought and other disruptions than surface water and groundwater sources.
- **Sustainability**: Reuse water reduces the pressure on natural systems.
- **Growing populations**: As populations grow, so does the need for potable water. Using reuse water reduces the pressure on potable infrastructure. Also, as populations grow, the availability of reuse water increases.
- **Local Control**: Reuse water is locally sourced, so there is no competition with neighboring cities for water rights.
- **Conservation**: Utilizing reuse water reduces the need to use water from other sources that would impact the environment.
- **Cost-Effectiveness**: As competition for local groundwater and surface water sources increases, cities need to build pipelines and pump stations to the next closest new source of water, which continues to be further away and therefore, more expensive. If potential reuse water is available at a closer distance, reuse could be a cost-effective alternative.
- **Advances in technology**: As technology improves, less expensive treatment options are made available.

Conversely, some cities are avoiding or reducing their utilization of reuse water. These reasons include but are not limited to:

- **Public perception**: The idea of reusing wastewater can be very unappealing.
- **High cost of infrastructure**: The cost of new pipelines and new pump stations to convey the reuse water can be immense.
- **Regulatory hurdles**: Reuse water is highly regulated and to get reuse water approved can take a lot of time and effort.
- **O&M challenges**: Sometimes cities will reduce their reuse programs due to logistical inefficiencies.

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Another reason that may discourage the application of reuse water is if the reuse water rate is higher than the potable water rate. Keeping the reuse rate lower than the potable rate provides a financial incentive for customers to use the reuse water. This financial incentive makes reuse water more politically and socially acceptable. Figure 4 below illustrates that the potable rate is higher than the baseline rate but lower than the full coverage with the CIP project rate.

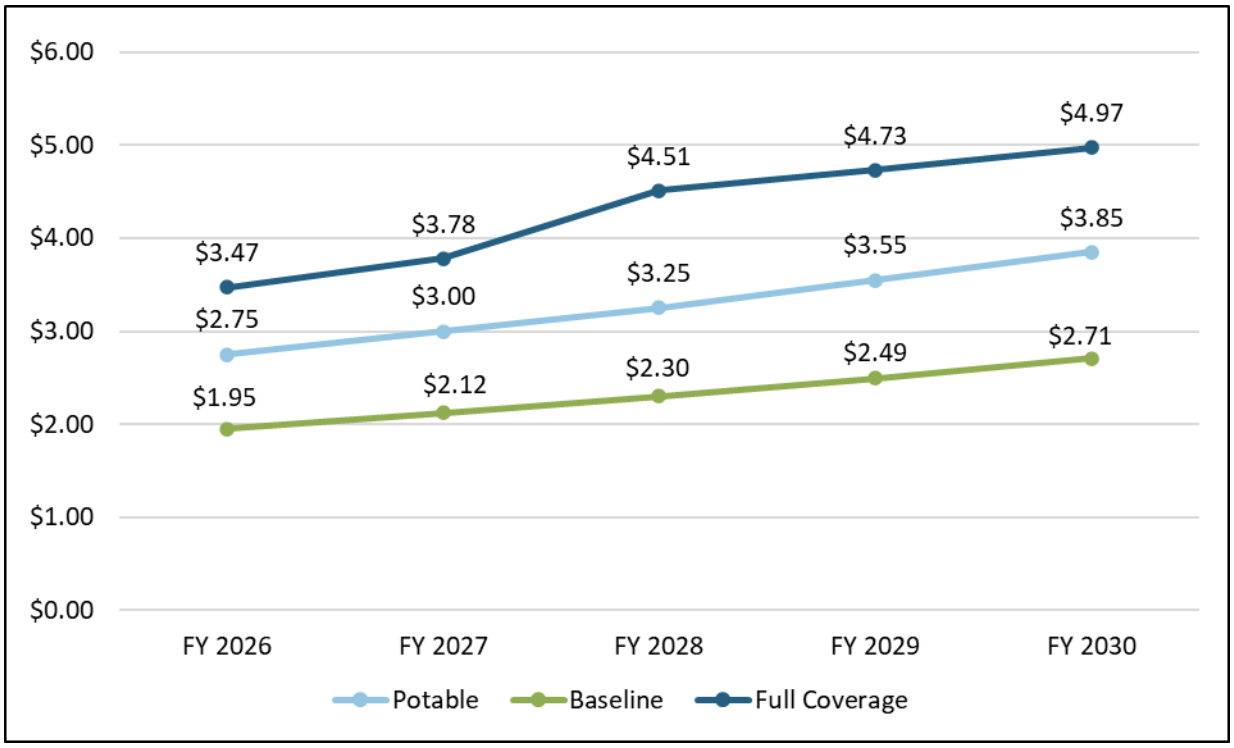


Figure 4. Compare With Potable Rates

An example of a reason that may affect the utilization of reuse water is the marginal cost, or the additional cost of the next thousand gallons of water. Should the City need more water for reuse or potable, the City would have to purchase it. Two such examples from the Report are raw water contracts with the Brazos River Authority (BRA) for 45,707 acre-feet per year and the city of Leander for 1,200 acre-feet per year (from the Colorado River Authority). Figure 5 below illustrates the additional cost per thousand gallons for water from each of these contracts. These costs would be in addition to any additional variable costs to wheel, treat, or transmit the water.

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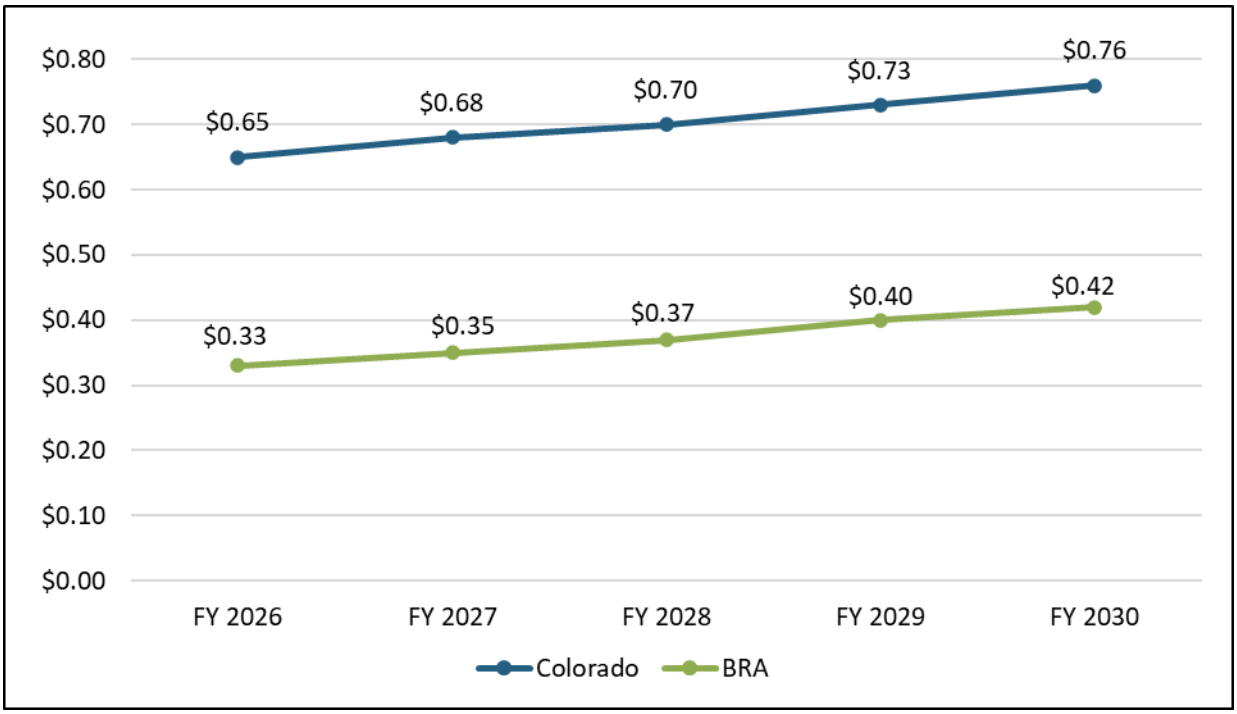


Figure 5. Additional Costs to Purchase Raw Water

## Conclusion

In conclusion, expanding the customer base or the reuse infrastructure would unnecessarily increase the financial burden of the utility system. NewGen does not recommend expanding the customer base or the current reuse infrastructure for non-potable reuse. As projected in the Reuse Master Plan, the ultimate reuse application is likely some form of direct potable reuse as a source supply for treated water. There will be maintenance and rehabilitation projects that will be necessary to honor existing non-potable contracts, maintain the current customer base, and maintain the current infrastructure. These projects may be desired but will have a financial impact on the utility system. Reuse water is a smart, sustainable option, but only if it makes economic sense. Decisions should be made to help reuse water make economic sense, not just today, but ten (10), twenty (20), and even thirty (30) years from now.

As with any forecast, assumptions must be made and the City should be aware that the actual rates required may be different from the rates outlined in this report due to unforeseen changes, such as system growth, inflation, budget changes, etc. It should be noted that this analysis is based on data provided by the City. While this data has been reviewed and tested for accuracy to the greatest extent possible, if the data relied on by NewGen's Project Team is inaccurate and not reflective of the actual operation and/or financial condition of the City's reuse utilities, then the results of this analysis may merit revision. Regular reviews of the performance of a utility's reuse rates are an integral part of the management of any reuse utility, and failure to monitor the City's rates can result in the need for significant rate actions. Our Project Team recommends that, going forward, the City regularly monitors and reviews the performance of its

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# Memorandum



adopted rates and perform rate adjustments in a timely manner, so as to preserve the financial integrity of the reuse utility.

NewGen thanks you for the opportunity to assist CDM and the City in this effort. If you or City staff should have any questions regarding this report and/or require additional information, please contact Matthew Garrett at (972) 675-7699 or via e-mail at mgarrett@newgenstrategies.net.

Very truly yours,

**NewGen Strategies and Solutions, LLC**

DocuSigned by:
Matthew B. Garrett
B23EEBEF79E64D1...

Matthew B. Garrett
Partner

Photo Courtesy of City of Georgetown

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Pedro S.S. Services, Inc Agreement Amendment**

SUGGESTED ACTION:
Consideration and possible action to approve Amendment No. 1 to Services Agreement 24-0023-SC with Pedro S.S. Services, Inc for Electric Underground Construction and Maintenance services, in an amount not to exceed $1,875,000.00 for a revised total contract value of $9,375,000.00 -- Richard Pajestka, Electric Operations and Engineering Manager

ITEM SUMMARY:
On October 24, 2023, the City entered into an agreement with Pedro S.S. Services Inc. for Electric Underground Construction & Maintenance Services. The original contract amount was $7,500,000.00, for a term of 3 years. Due to an increase in Capital Improvement and customer driven new development projects, Amendment No. 1 is required to increase the not-to-exceed amount by $1,875,000.00 (25%), for a revised contract total of $9,375,000.00, the maximum allowed under City procurement policy.

FINANCIAL IMPACT:
Funds are included in the FY26 CIP budget.

SUBMITTED BY:
Rene Bywater-Barajas, Electric Department

ATTACHMENTS:
24-0023-SC-A1 Pedro SS_NTE Increase_Amendment signed 05-27-2026.pdf

**Amendment No. 1**
**to the Agreement between**
**Pedro SS Services, Inc. and**
**The City of Georgetown, Texas**

This First Amendment ("First Amendment") is entered into by and between **CITY OF GEORGETOWN,** a Texas home-rule Municipal corporation ("City") and **PEDRO SS SERVICES, INC,** referred to collectively as the "Parties". The Parties hereby agree as follows:

**WHEREAS,** the Parties entered into an Agreement on October 24, 2023, Contract No. 24-0023-SC, ("Original Agreement") for Electrical Underground Construction and Maintenance Services (the Services); and,

**WHEREAS,** the Original Agreement provided a total compensation in the amount of seven million five hundred thousand dollars and no cents ($7,500,000.00) during the initial three-year term (the "Initial Term") with an annual compensation amount not to exceed two million five hundred thousand dollars and no cents ($2,500,000.00); and,

**WHEREAS,** the Parties desire to amend the Original Agreement to increase the total compensation amount by an additional one million eight hundred seventy-five thousand dollars and no cents ($1,875,000.00).

**NOW THEREFORE,** in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. The Parties agree to Amend the Original Agreement to increase the total annual not to exceed amount of the Initial Term from $7,500,000.00 to $9,375,000.00.
2. All other terms of the Original Agreement not inconsistent with this First Amendment shall apply. Except as expressly modified by the First Amendment, the Original Agreement remains unchanged and in full force and effect, subject to its terms.

***[signature page to follow]***

**PEDRO SS SERVICES INC.**

By: _____

Printed Name: CARLOS CUADROS

Title: Manager

Date: 05-27-2026

**CITY OF GEORGETOWN**

By: _____

Printed Name: _____

Title: _____

Date: _____

**ATTEST:**

_____

City Secretary

**APPROVED AS TO FORM:**

_____

City Attorney

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Purchase of Power-PRO and Power-LOAD from Stryker Howmedica**

SUGGESTED ACTION:
Consideration and possible action to approve the purchase four (4) Stryker/Howmedica Power-Load and Power-Pro Systems at a cost not to exceed $291,980.34 -- John Sullivan, Fire Chief

ITEM SUMMARY:
Approval of this item will authorize the purchase of four (4) Stryker Power-LOAD systems and two (2) Power-PRO stretcher systems for installation in new Frazer ambulances currently on order. These integrated systems assist with the safe movement and loading of patients into the ambulance, reducing the risk of injury to both patients and personnel. This equipment is already in use on all front-line ambulances and has proven to be reliable and effective in daily operations. This is a sole source purchase.

FINANCIAL IMPACT:
Budgeted in the FY26 Fleet Fund

SUBMITTED BY:
Monica Heyward, Fire Department

ATTACHMENTS:
1. Power-Load Powered Cot Fastener Units â€“ Quote 11217994.pdf
2. Power-Pro 2 Powered Ambulance Cots - Quote 11283111.pdf

stryker

## New Ambulance PL

| | | | |
|---|---|---|---|
| Quote Number: | 11217994 | Remit to: | Stryker Sales, LLC<br>21343 NETWORK PLACE<br>CHICAGO IL 60673-1213<br>USA |
| Version: | 1 | Division: | Medical |
| Prepared For: | GEORGETOWN FIRE DEPT STATION 5 | Rep: | Cody Matthews |
| | Attn: | Email: | cody.matthews@stryker.com |
| | | Phone Number: | |

| | |
|---|---|
| Quote Date: | 05/05/2026 |
| Expiration Date: | 08/03/2026 |
| Contract Start: | |
| Contract End: | |

| Delivery Address | | Sold To - Shipping | | Bill To Account | |
|---|---|---|---|---|---|
| Name: | FRAZER LTD | Name: | GEORGETOWN FIRE DEPT STATION 5 | Name: | GEORGETOWN FIRE DEPT |
| Account #: | 20040599 | Account #: | 20029313 | Account #: | 20097943 |
| Address: | 7219 RAMPART ST | Address: | 3600 D B WOOD RD | Address: | POBox 409 |
| | HOUSTON | | GEORGETOWN | | GEORGETOWN |
| | Texas 77081-6403 | | Texas 78628-7214 | | Texas 78627-0409 |
| Attn: | Taylor Russell - Georgetown Fire | | | | |

### Equipment Products:

| # | Product | Description | Qty | Sell Price | Total |
|---|---|---|---|---|---|
| 1.0 | 639005550001 | MTS POWER LOAD | 4 | $34,727.04 | $138,908.16 |
| | | | Equipment Total: | | $138,908.16 |

### ProCare Products:

| # | Product | Description | Qty | Sell Price | Total |
|---|---|---|---|---|---|
| 2.1 | POWERLOAD-PROCARE | Power Load for MTS POWER LOAD<br>*04/30/2026 - 04/29/2032*<br>√ Parts, Labor, Travel √ Preventative Maintenance √ Batteries Service | 4 | $13,953.60 | $55,814.40 |
| | | | ProCare Total: | | $55,814.40 |

### Price Totals:

| | |
|---|---|
| Estimated Sales Tax (0.000%): | $0.00 |
| Shipping and Handling: | $1,736.36 |
| Grand Total: | $196,458.92 |



*This is not an Invoice*

stryker

## New Ambulance PL

| | | | |
|---|---|---|---|
| Quote Number: | 11217994 | Remit to: | Stryker Sales, LLC<br>21343 NETWORK PLACE<br>CHICAGO IL 60673-1213<br>USA |
| Version: | 1 | Division: | Medical |
| Prepared For: | GEORGETOWN FIRE DEPT STATION 5 | Rep: | Cody Matthews |
| | Attn: | Email: | cody.matthews@stryker.com |
| | | Phone Number: | |

| | |
|---|---|
| Quote Date: | 05/05/2026 |
| Expiration Date: | 08/03/2026 |
| Contract Start: | |
| Contract End: | |

**Comments:**
Parties acknowledge and agree that this transaction shall be governed by the terms attached hereto as Exhibit A.

Prices: In effect for 30 days

Terms: Net 30 Days

**Shipping & Handling Includes:**
Standard freight, special packaging, semi rigging cranes, labor & delivery of equipment to final location, removal of all packaging, pre-delivery site check, education/training.

**STRYKER SALES, LLC, acting through its Medical division**

**Signature:** _____

**Name:** _____

**Title:** _____

**Date:** _____

**Address:**
Attn: Legal
3800 E. Centre Ave.
Portage, MI 49002

With electronic copy to: USContracts@stryker.com

**GEORGETOWN FIRE DEPT STATION 5**

**Signature:** _____

**Name:** _____

**Title:** _____

**Date:** _____

**Address:**
3600 D B Wood Rd
Georgetown
Texas 78628-7214

Notices will be sent to the Parties at the addresses listed herein.

# Exhibit A

## STANDARD TERMS OF SALE (US)

1. **General**. All sales of Products distributed by Stryker in the United States are subject to the following terms and conditions. In these "**Standard Terms of Sale**", "**Stryker**" means Stryker Corporation and any of its affiliates providing Products to Customer, goods and services sold by Stryker are referred to as "**Products**", and the purchaser of the Products is referred to as the "**Customer.**" Stryker and Customer are herein collectively referred to as "**Parties**".

2. **Price and Taxes.**
   2.1. Prices shown on Stryker invoices are net of discounts provided at the time of purchase and Products listed on an invoice may be subject to additional rebates or discounts, for which separate documentation is provided by Stryker. Customer must: (i) claim the value of all rebates or discounts in Customer's fiscal year earned or the immediately following fiscal year; (ii) properly report and appropriately reflect and allocate prices paid net of all discounts and rebates in Medicare/Medicaid cost reports and all claims for payment filed with third party payors as required by law or contract; and (iii) provide agents of the U.S. or a state agency with access to all information from Stryker concerning discounts and rebates upon request.
   2.2. Stryker's price does not include sales, use, value added, franchise, gross receipts, profits, excise, privilege, occupation, personal property, withholding and all other federal, state or local or foreign taxes, import or customs fees and duties associated with an order, however designated (collectively, "**Taxes**"). Customer will be liable for all Taxes, whether or not Stryker invoices Customer for such Taxes (unless Customer will provide Stryker at the time an order is submitted with an exemption certificate or other documents acceptable to taxing or customs authorities).

3. **Payment Terms**. All payments will be processed in accordance with Texas Prompt Payment Act, Texas Government Code, Subtitle F, Chapter 2251. The Customer will pay Stryker within thirty days after of receipt of a correct payment application for services. Stryker may charge a late fee (fee shall not be greater than that permitted under the Texas Prompt Payment Act) for payments not made in accordance with this prompt payment policy; however, the policy does not apply to payments made by the Customer in the event: (a) there is a bona fide dispute between the Customer and Stryker concerning the goods, supplies, materials, equipment delivered, or the services performed, that causes the payment to be late; (b) the terms of a federal agreement, grant, regulation or statute prevents the Customer from making a timely payment with Federal funds; (c) there is a bona fide dispute between Stryker and a subcontractor and its suppliers concerning goods, supplies, material, or equipment delivered, or the services performed, which caused the payment to be late; or (d) the payment application is not mailed to the Customer in accordance with this Agreement. Customer must notify Stryker in writing of any disputed invoice within 15 days of its receipt. The writing must provide Stryker with sufficient detail regarding the basis and amount of the dispute. If Customer does not dispute an invoice within 15 days of its receipt, such invoice will be deemed to have been approved and accepted by Customer.

4. **Non-Appropriation.** This sale is a commitment of Customer's current revenues only. Customer shall have the right to terminate this Agreement at the end of any Customer fiscal year if the governing body of the city does not appropriate funds sufficient to purchase the services. The Customer may terminate for non-appropriation by giving the Contractor a written notice of termination at the end of its then current fiscal year.

5. **Credit Policies**. Based upon Customer's financial position and payment history, Stryker may, in Stryker's sole discretion, assign Customer a credit limit. Customer's total pending orders and outstanding accounts payable to Stryker must remain within the amount of the credit limit. Stryker may at any time, in Stryker's sole discretion, modify or discontinue Customer's credit limit or modify Stryker's credit terms and other credit policies. Neither this paragraph nor any other provision of these Standard Terms of Sale makes Customer a dealer or distributor of Stryker or obligates Stryker to sell any Products to Customer.

6. **Delivery, Title, and Risk of Loss.** Unless otherwise provided on an invoice, or except for Products purchased on a consignment basis, all Products purchased directly from Stryker will be shipped F.O.B Destination, freight, insurance and handling prepaid and added to the invoice. Title and risk of loss transfer to Customer upon delivery of the Products to the Customer. Shipping and delivery dates are estimates only, and time is not of the essence. Stryker may ship all the Products at one time or in portions. Stryker will have the right to determine the method of shipment and routing of the Products, unless Stryker agrees otherwise in writing. All Products will be shipped to the address indicated in the "ship to" portion of Customer's purchase order. Stryker reserves the right to refuse to ship the Products to third parties.

7. **Consignment and Loaned Instrumentation.** To the extent Products are consigned or loaned to Customer, the additional terms and conditions set forth in in **Appendix 1** hereto will apply.

8. **Stryker Communications Products.** To the extent Products purchased by Customer include equipment and installation services provided by Stryker's Communications division, the additional terms and conditions set forth in in **Appendix 2** hereto will apply.

9. **Trade-in Equipment**. Any trade-in discount reflected on an invoice is an additional discount given by Stryker as a result of trade-in equipment remitted to Stryker by Customer at Customer's request. Customer transfers and delivers unto Stryker all of Customer's rights, title and interest in and to such trade-in equipment and all trade-in equipment must be shipped to the address designated by Stryker within the time period agreed to by the Parties. All trade-in equipment must be appropriately packaged, consistent with Stryker's instructions or if such instructions have not been provided, with good commercial practice. Customer assumes responsibility for shipment of trade-in equipment to Stryker and for risk of loss or damage during shipment. Trade-in equipment must be accompanied by a copy of the purchase order or the trade-in order number. Failure to return trade-in equipment in accordance with these instructions may result

in forfeiture of the trade-in discount, for which Stryker will bill Customer, to be paid by Customer in accordance with Section 3.

**10. Product Training**. Stryker may provide technical training, including both initial training for new users and supplemental training for existing users, as needed to promote the safe and effective use of its Products sold to Customer. Such technical training will be provided for any health care practitioner who uses or intends to use the Product and is employed by, or is on the active medical staff of, Customer. If Stryker provides the technical training to a health care professional, it may pay for or reimburse the reasonable expenses, including meals, lodging and transportation, actually incurred by eligible recipients in connection with the technical training provided under this paragraph. Such training is not deemed a condition precedent to sale of the Products or Customer's acceptance thereof.

**11. Warranties, Return Policies and Maintenance**.

11.1. In addition to Stryker's current standard Product warranties, if applicable, Stryker warrants that: (i) it has good title to Products shipped directly to Customer, free of all liens, claims and encumbrances; and (ii) the Products, at the time of sale, meet applicable FDA clearance or approval (as applicable) necessary for commercial sale. Notwithstanding the foregoing clause (i), Customer agrees that Stryker will retain a purchase money security interest in the Products, and to any proceeds from the disposition of such Products, until the purchase price and other charges due Stryker have been paid in full. Upon any default by Customer hereunder, Stryker will have any and all rights and remedies of secured party under the Uniform Commercial Code which right will be cumulative.

11.2. THE EXPRESS WARRANTIES SET FORTH IN SECTION 11.1 AND STRYKER'S STANDARD PRODUCT WARRANTY ARE THE ONLY WARRANTIES APPLICABLE TO THE PRODUCTS SOLD TO CUSTOMER AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTY BY STRYKER, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, NONINFRIGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

11.3. Products returned by Customer for credit, replacement and/or repair will be in accordance Stryker's applicable return policy.

11.4. Stryker's standard Product warranties and return policies can be found at **www.stryker.com/returnpolicy**. Stryker's Product warranties apply only to (i) the original end-user purchaser of Products directly from Stryker or its authorized distributors and (ii) Products manufactured by Stryker. Unless otherwise agreed to in writing by Stryker, non-Stryker Products are sold "as-is" with no warranty of any kind, express or implied.

11.5. In addition to Stryker's standard Product warranties, service plans for repairs and maintenance may be purchased at any time for a number of Stryker's capital equipment Products. These special service plans cover repair and/or maintenance that the designated piece of equipment may require during the term of the service plan contract. Specific service plan details are available through your local Stryker sales representative. Stryker's service plan terms and conditions are set forth in **Appendix 3** hereto.

11.6. Customer agrees that Stryker may monitor use of the Products, and services provided through the Products, by Customer and users and collect and use Stryker Data, including to compile information related to the provision, operation or use of a Product, facilitate the provision of support, consulting, training and other services, and verify compliance with the terms of this Agreement. Stryker may use and make publicly available, Stryker Data to the extent and in the manner permitted under applicable law. "Stryker Data" means any data relating to or arising from the business operations or plans, services and products of Stryker or the performance or use of the Products or that may aide Stryker in optimizing resources and support; may be used to improve products or services, may be used in research and development regarding products or services; may be used in verification of security and data integrity of products or services or in resource planning, industry trends, benchmarking, or contract administration (e.g., data used for sales compensation), and any Personal Information that is aggregated and not identified or identifiable to any individual.

**12. Software License**.

12.1. Certain Products contain software that is installed into the Products by Stryker. Stryker owns this software and each sale of a software-containing Product is not a sale of such software; it includes only a license to use the software in the Product in which the software was initially installed solely in accordance with the documentation provided with such Product. The license for any such software may be embedded in the equipment, the product documentation or available on https://www.stryker.com/us/en/legal/it.html and shall automatically apply to such product on first use of the product. ANY SOFTWARE LICENSE PROVIDED BY STRYKER DOES NOT EXTEND TO ANY MAINTENANCE OR SERVICE SOFTWARE SHIPPED TO OR LOCATED AT CUSTOMER'S PREMISES WHICH IS INTENDED TO ASSIST STRYKER EMPLOYEES OR AGENTS IN THE INSTALLATION, TESTING, SERVICE, AND MAINTENANCE OF ANY PRODUCT. CUSTOMER ACKNOWLEDGES THAT SOFTWARE PROVIDED WITH A PRODUCT MAY CONTAIN THIRD PARTY SOFTWARE (INCLUDING BUT NOT LIMITED TO OPEN SOURCE SOFTWARE LICENSES), AND THAT SUCH SOFTWARE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE APPLICABLE LICENSE THAT ACCOMPANIES IT. A LIST OF OPEN SOURCE SOFTWARE USED IN STRYKER PRODUCTS AND THEIR APPLICABLE LICENSES MAY BE FOUNDAT https://www.stryker.com/us/en/legal/it.html.

12.2. Any license granted by Stryker to use the software contained in its Products does not give the licensee the right to copy, alter, disassemble, reverse engineer, create derivative works of such software or to use such software in either original or modified form in any product other than the Stryker Product in which the software was initially installed by Stryker. Such use is strictly prohibited.

12.3. Prior to delivering a Product containing software, Stryker may, but is not required to, require Customer to execute a license agreement to acknowledge the terms of this Section 11 and any additional terms under which Stryker may elect to license its software. If a Customer elects not to sign a license agreement, Stryker reserves the right to cancel the order for the Product containing the software. If Customer accepts a Product without agreeing to any additional licensee agreement, Customer is still bound by the license term set forth herein. If Customer receives a Stryker Product without executing a license, the Customer is still bound by the applicable license.

**13. Indemnity.**

13.1. Stryker agrees to indemnify Customer for third party liability ("Claims") that Customer is adjudicated to have directly as a result of:

(i) a defect in workmanship or materials of the Products that are manufactured by Stryker; or (ii) a defect in the reprocessing services, for any Products that are subject to Stryker's reprocessing services. This indemnification does not apply to Claims arising from: (a) the negligence of any person other than an employee or agent of Stryker; (b) the failure of any person other than an employee or agent of Stryker to follow any labeling, manuals and/or instructions for use of the Products; (c) the use of any product (or any accessories) not purchased from Stryker; (d) abnormal wear and tear or damage caused by misuse or by Customer's failure to perform normal and routine maintenance as set out in the maintenance manual and/or operating instructions provided with Products, or as demonstrated by an authorized Stryker representative; or (e) Product that has been modified, altered, or repaired by any person other than an employee or agent of Stryker. Customer agrees to indemnify Stryker against any Claims to the extent arising from (a) through (e) above due to the negligent acts or omissions of Customer or its officers, employees, representatives or agents. The rights and obligations relating to indemnification for any Claims relating to a Product are expressly defined only by these Standard Terms of Sale. Neither Stryker nor Customer have any rights or obligations to a defense against any Claim relating to the Products.

13.2. Stryker's indemnification obligations under this Section 13 are conditioned on Customer promptly providing Stryker with (i) timely written notice of any Claim for which indemnification is sought; (ii) reasonable assistance and all available non-proprietary information reasonably required in the defense or settlement of any Claim; and (iii) sole control over the defense against any Claim and the settlement of any Claim; provided, however, that Stryker will not agree to any settlement or compromise that imposes or results in any finding of fault or any restriction or obligation on the part of Customer without Customer's prior written consent (which will not be unreasonably withheld).

**14. Insurance**.

14.1. Stryker will maintain general liability insurance, including coverage for Products and completed operations, auto liability insurance and workers' compensation and employer's liability insurance subject to appropriate limits covering claims alleging negligence by or liability of Stryker that might arise out of sales of Products by Stryker hereunder. To the extent permitted by applicable laws and regulations, Stryker has the right to comply with this requirement through a program of self-insurance. When requested by Customer in writing, Stryker will furnish an insurance certificate or other documentation evidencing the insurance or self-insurance coverage required above.

14.2. Customer will maintain appropriate types of liability insurance subject to appropriate limits covering claims alleging negligence by or liability of Customer that might arise out of purchases of Products by Customer hereunder, including liability arising out of Customer's indemnity obligations set forth in Section 12 above. When requested by Stryker in writing, Customer will provide a certificate of insurance evidencing such coverage.

**15. Limitation of Liability**. STRYKER'S LIABILITY ARISING IN CONNECTION WITH OR UNDER THESE STANDARD TERMS OF SALE (WHETHER UNDER THE THEORIES OF BREACH OF CONTRACT, TORT, MISREPRESENTATION, FRAUD, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER THEORY OF LAW) WILL NOT EXCEED THE PURCHASE PRICE OF THE APPLICABLE PRODUCTS MINUS DEPRECIATION OR IN THE CASE OF SERVICES, SERVICE FEES PAID BY CUSTOMER IN THE 12 MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM. NEITHER PARTY WILL BE ENTITLED TO, NOR WILL BE LIABLE FOR, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY NATURE, INCLUDING, BUT NOT LIMITED TO, LOSS OF BUSINESS, PROFITS OR REVENUE OR BUSINESS INTERRUPTION.

**16. Confidentiality**. Stryker and Customer: (i) will hold in strictest confidence Product pricing, proposals, invoices and any information and materials which are related to the business of the other or are designated as proprietary or confidential, herein or otherwise, or which a reasonable person would consider to be proprietary or confidential information; (ii) hereby covenant that, subject to Section 2.1, they will not disclose such information to any third party without prior written authorization of the one to whom such information relates; and (iii) agree that any breach or threatened breach of this section may cause irreparable harm, that a remedy at law will be inadequate to remedy such a breach or threatened breach, and that this section will be enforceable by way of a restraining order or injunction, without the necessity of posting a bond, in addition to any other available legal remedies. Notwithstanding this paragraph, Stryker understands that the Customer is a public entity subject to the Texas Open Meetings Act and the Texas Public Information Act and may be required to make the previously-listed information available without notice to Stryker in accordance with the Texas Open Meetings Act and the Texas Public Information Act or other local, state, or federal law. For example, quotes, contracts, and other documents related to Customer purchases may be attached to a publicly-posted City Council agenda.

**17. Default**. In the event of Customer's default in payment for the Products purchased hereunder, Customer will be responsible for all reasonable costs and expenses (including reasonable attorney's fees) incurred by Stryker in collection of any sums owing by Customer, and Stryker will not be obligated to make any further deliveries to Customer. Should Customer elect to cancel its order, in whole or in part, Customer will be liable to Stryker for any non-refundable deposits and reasonable cancellation charges that will include, but not be limited to, all costs and expenses incurred by Stryker in connection with procuring and filling Customer's purchase order.

**18. Force Majeure.** The Customer and Stryker will exert all efforts to perform the tasks set forth herein within the proposed schedules. However, neither the Customer nor Stryker shall be held responsible for inability to perform under this Agreement if such inability is a direct result of a force substantially beyond its control, including but not limited to the following: strikes, riots, civil disturbances, fire, insurrection, war, embargoes, failures of carriers, acts of God, or the public enemy.

**19. Compliance with Law; Not For Resale or Export**. Customer represents and warrants that it: (i) will comply with all applicable laws and regulations of the various states and of the United States in the use of the Products; and (ii) is buying Product(s) for its internal use only, and not for resale or export.

20. **Miscellaneous**. These Standard Terms of Sale constitute the entire agreement between the Parties with respect to the purchase of Products, and any modification or amendments must be in writing and signed by both Parties. The Agreement and these Standard Terms of Sale are in lieu of and replace any and all terms and conditions set forth in any documents issued by Customer. Any additional, different, or conflicting terms and conditions on any such document issued by Customer at any time are hereby rejected by Stryker and will not be binding in any way on Stryker. Neither Party will transfer or assign any or all of its rights or interests, or delegate any of its obligations, hereunder, without the prior written consent of the other Party (which consent will not be unreasonably withheld); provided, however, Stryker may assign its rights or interests, or delegate its obligations, in whole or in part, to any of its affiliates without the prior consent of Customer. The Standard Terms of Sale and the Agreement will be binding upon, will inure to the benefit of, and be enforceable by permitted successors and assigns of the Parties. The rights and remedies conferred under the Agreement and under these Standard Terms of Sale apply only to Stryker and Customer, and will not be construed to inure to the benefit of or provide any right of action to any other person, including without limitation any patient or third-party payor. In the event that any provision of these Standard Terms of Sale is determined to be unenforceable or invalid, such provision will nonetheless be enforced to the fullest extent permitted by applicable law, and such determination will not affect the validity and enforceability of any other remaining provisions. These Standard Terms of Sale will be governed by and construed in accordance with the laws of the State of Texas as applicable to contracts made and to be performed in that state, without regard to conflicts of laws principles. Venue shall be the applicable courts of Williamson County, Texas.

21. **Professional Services**. Stryker may provide professional services to Customer, including, but not limited to, consulting, advisory, program development and implementation and data analytics services. Such services are only provided to Customer, and governed by, separate services contracts entered into by Stryker and Customer and are not subject to these Standard Terms of Sale.

## APPENDIX 1 - CONSIGNMENT AND LOANED INSTRUMENTATION TERMS

**1. Consignment.**

1.1. Stryker will place at a Customer's designated premises on a consignment basis, such quantities and types of Product as Customer and Stryker may mutually agree upon (collectively, the "**Consigned Inventory**"). The initial quantities, types and applicable par levels for Consigned Inventory (and any future modification thereto) will be agreed upon in writing by the Parties. Customer must provide appropriate space to store and safeguard the Consigned Inventory.

1.2. All Consigned Inventory is the property of Stryker until withdrawn by Customer; however, Customer accepts all risk of loss and full responsibility for payment for all Consigned Inventory which may be used, opened, lost, or damaged. Customer must return to Stryker all damaged Consigned Inventory, and Stryker will arrange to have the damaged items destroyed. Customer must use reasonable efforts to: (i) identify all Consigned Inventory as being the property of Stryker and label it separately by Stryker division within Customer's storerooms and operating rooms; (ii) separate Consigned Inventory from property of Customer (including products housed in inventory carts); and (iii) maintain complete and accurate records concerning the Consigned Inventory.

1.3. Customer, in its sole discretion, will determine whether to withdraw items of Consigned Inventory. As a Product is withdrawn from the Consigned Inventory, the Product will be deemed to have been purchased by Customer, title in the Product will pass to Customer and title in the sale proceeds will vest in and belong to Stryker. Within two days from the withdrawal from consignment of any Consigned Inventory, Customer must issue to Stryker a hard copy of a purchase order for such withdrawn items. In the event Customer fails to issue a purchase order to Stryker, Customer will be in default and forfeit any agreed upon discounts and Stryker, at its option, may place Customer on credit hold and remove Consigned Inventory from Customer's premises.

1.4. Stryker may audit (including a physical inventory) this consignment arrangement during business hours upon 24 - hours' notice to Customer. In the event that Stryker's audit of the Consigned Inventory concludes that inventory is missing, Customer agrees that it will pay to Stryker any monies which are due and owing based on the missing inventory. In the event that Stryker's audit of the Consigned Inventory concludes that a surplus exists, Stryker will adjust consignment inventory levels to reflect the amount as determined by the audit. Customer and Stryker agree to meet within 15 days after an audit of the inventory has been taken by Stryker to resolve whether a surplus or a shortfall exists.

1.5. Should Consigned Inventory reach sterilization expiration, Stryker will, at its sole option, either replace the Consigned Inventory or reduce inventory levels equivalent to the amount, by item number, of expired Consigned Inventory. Notwithstanding any language to the contrary, in the event that sterilization expiration should occur while Consigned Inventory is in Customer's possession, full responsibility for ensuring the expired inventory is not used in a patient procedure remains with Customer. Stryker will be responsible for updating the Consigned Inventory as needed.

1.6. In the event the Consigned Inventory includes human tissue grafts, Customer agrees to: (i) comply with all applicable federal and state laws and regulations relating to the consigned human tissue grafts, including, without limitation, all applicable tissue tracking requirements and applicable standards and guidelines adopted by the American Association of Tissue Banks; and (ii) control the consigned human tissue grafts according to temperature requirements and JCAHO Tissue and Issuance Standards 17.10, 17.20, and 17.30.

1.7. Upon notice or expiration or termination of a consignment arrangement, Customer will, within 10 days, deliver as directed by Stryker all Consigned Inventory then in the possession or control of such Customer.

**2. Loaned Instrumentation.** If applicable, Stryker may provide certain of its non-disposable orthopaedic surgical instruments ("**Instrumentation**") to Customer as follows:

2.1. The quantity of Instrumentation will be as mutually agreed to by Customer and Stryker.

2.2. Customer will have no ownership interest in the Instrumentation; however, Customer is responsible for maintaining the Instrumentation in good condition and for using reasonable care in its handling and storage. Customer will be responsible for any loss of or damage to the Instrumentation. Upon expiration or termination of an Instrumentation loan arrangement, Instrumentation will be removed from Customer and returned to Stryker at Stryker's expense.

2.3. Except as otherwise provided, Instrumentation will be provided by Stryker on a loaned basis at no additional cost or expense to Customer except as noted in the preceding paragraph. The Instrumentation provided is restricted for use with the Products only and is not separately reimbursable and has no independent value. Customer will maintain appropriate property insurance on the Instrumentation during the term of any Instrumentation loan arrangement to provide coverage against loss by theft, fire damage, acts of nature or other cause.

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## APPENDIX 2 – STRYKER COMMUNICATIONS EQUIPMENT PURCHASE AND INSTALLATION SERVICES TERMS

The terms of this Appendix 2 will apply to Customer's purchase of equipment and any related services from Stryker's Communications division. In the event of a conflict or inconsistency between the Standard Terms of Sale and this Appendix 2, relative to equipment and services sold by the Communications division only, this Appendix 2 will govern. Stryker Communications may offer standalone software products to Customer. Such software is only licensed to Customer, and governed by, separate software license agreements entered into by Stryker Communications and Customer and are not subject to these Standard Terms of Sale, including this Appendix 2.

**1. Equipment Purchases.**

1.1. **Payment Terms:**

1.1.1. **Deposit:** A non-refundable deposit of 50% of the equipment purchase price will be due upon Stryker's acceptance of Customer's purchase order ("**Deposit**").

1.1.2. **Additional Payments:** Additional payments for equipment will be invoiced upon Stryker's shipment of the equipment and are payable by Customer in accordance with Stryker's Standard Terms of Sale.

1.1.3. **Engineering Services:** Charges for any Engineering Services (as defined in Section 1.3 below) will be invoiced by Stryker as they are performed, or upon shipment of equipment to Customer, whichever is later. Such invoices are payable by Customer in accordance with Stryker's Standard Terms of Sale.

1.1.4. **Contingency**: Customer may elect to include a contingency charge amount on its purchase order that may be applied as a credit for potential future changes or additions to the Stryker Communications equipment that Customer wishes to purchase ("**Contingency Charge**"). If Customer elects to make such a change or addition, any charges for such change or addition will be added to the equipment purchase price and will be deducted from the Contingency Charge until such Contingency Charge is exhausted. Customer may make changes or additions in an amount up to the then current balance of the Contingency Charge without initiating the Change Order process as further described in Section 1.4 below. Pricing for all equipment changed or added in such a way will be at a discount off Stryker's list price equivalent to the discount provided on the applicable purchase order. In the event of an unapplied Contingency Charge balance upon completion of the order, Customer will not be obligated to pay such amount. Unapplied Contingency Charge balances may be cancelled upon written request from the Customer.

1.2. **Shipment and Installation Dates**:

1.2.1. The Parties agree to estimate the date that installation of the equipment will occur (the "**Anticipated Installation Date**"). The actual dates of shipment will be mutually agreed upon between Stryker and Customer ("**Shipment Date**"); provided, however, that the Anticipated Installation Date may not be changed less than eight weeks prior to the scheduled Anticipated Installation Date. Stryker will use its commercially reasonable best efforts to meet all Shipment Dates requested by Customer. Customer understands that production and installation scheduling will not occur until Stryker's receipt of: (i) Customer's deposit payment pursuant to Section 1.1.1; and (ii) a completed Shipment and Installation Date Confirmation Form. If Customer requests a rescheduling of the Installation Date with less than eight - weeks' notice prior to the Anticipated Installation Date, Customer agrees to accept all shipments of ordered Products no later than the original Installation Date and, if necessary, make necessary arrangements for storage of the Stryker Communications equipment at Customer's expense until the rescheduled Installation Date.

1.2.2. If Customer delays or extends shipment or installation of the equipment, Customer will arrange for and notify Stryker of the place or places to which Stryker will ship the equipment for storage at Customer's expense and all risk of loss or damage to the equipment will be the responsibility of the Customer. Stryker will invoice Customer for the equipment upon shipment and Customer agrees to pay such invoice in accordance with Stryker's Standard Terms of Sale.

1.3. **Engineering Services:** Stryker agrees to provide the engineering services described in the project proposal provided to Customer, if any, subject to the terms and conditions hereof ("**Engineering Services**").

1.4. **Change Orders:** Options, upgrades and additions to Stryker Communications equipment may be available ("**Change Orders**"). Change Orders will require a new purchase order or an addendum to the original purchase order, which could result in changes to the total purchase price. Change Orders made less than eight weeks prior to the scheduled Installation Date may result in shipping delays and additional expenses for expedited shipping.

**2. Installation Services.**

2.1. **Payment Terms:** Charges for Installation Services (as defined in Section 2.3 below) will be invoiced upon Customer Acceptance (as defined in Section 2.2 below). If installation of the equipment is completed in phases at Customer's request, Stryker will invoice Customer separately for the Installation Services provided in each phase. Such invoices are payable by Customer in accordance with Stryker's Standard Terms of Sale.

2.2. **Customer Acceptance:** Acceptance of Installation Services will occur on the earlier of the following: (i) Stryker's receipt of a "Customer Acceptance Form" signed by Customer; (b) clinical utilization of Stryker Communications equipment by Customer; or (iii) 60 days after the completion of installation of Stryker Communications equipment ("**Customer Acceptance**").

2.3. **Installation Services**: The installation services to be provided by Stryker in connection with Stryker Communications equipment are further defined in the project proposal provided to Customer (the "**Installation Services**"). Customer's quote should include whether installation pricing includes regular working hours, nights, weekends, multiple trips (e.g. phased project installations), and/or union support. If not explicitly noted, Installation Services may not be sufficient and additional charges may apply. Please consult the appropriate Stryker Communications Sales Representative with any questions. If additional Installation Services are required: (i) because of Customer's failure to complete its Pre-Installation Responsibilities described below in Section 2.5; (ii) because of a

Customer requests to install in a manner dissimilar to that quoted (e.g. weekends only); or (iii) if the Installation Date is rescheduled with less than eight weeks' notice prior to the Anticipated Installation Date, Stryker may, at its discretion, invoice Customer an additional $1,500 per day per installation technician.

2.4. **Stryker Responsibilities**

2.4.1. **Pre-Installation Meeting Responsibilities**: Stryker will facilitate an equipment pre-installation planning meeting to be held at Customer's site before construction begins. At, or before this meeting, Stryker will provide Customer and Customer representatives with Stryker Communications equipment pre-installation guide ("**Pre-Installation Guide**"). Additional detailed pre-installation requirements are included in the Pre-Installation Guides. All pre-installation work performed must adhere to the Pre-Installation Guide. Stryker will schedule and lead the discussions and review the Drawings (as defined in Section 2.4.2 below) with Customer's Project Manager, Clinical Department Manager and representatives from all installing contractors. Stryker will schedule and lead the discussion and review of the Pre-Installation Guide and designation of exact responsibilities of all contractors. Stryker will schedule and lead the discussion of mounting plate(s) placement, pre-install design specifications and routing requirements of all applicable services.

2.4.2. **Layout/Placement Drawings**: Stryker will provide final equipment layout/placement drawings ("**Drawings**") for review within five business days of acceptance of purchase order and Deposit payment. The Drawings will include product placement and configuration of services. Within six weeks after acceptance of Customer's purchase order and no less than 14 weeks before the scheduled Ship date, Customer must deliver to Stryker a copy of the signed Drawings, which have been approved by the Customer's Project Manager and the Clinical Department Manager (or respective designees). Customer understands Stryker will not schedule production until the signed Drawings are received by Stryker; and Stryker is not responsible for any direct or indirect costs related to resulting delays.

2.4.3. **Inspection and Evaluation Responsibilities**: Stryker will review superstructure requirement (e.g. weights and moments) with Customer's contractors and Project Manager. When requested, Stryker will provide Customer with knowledgeable third-party resources regarding superstructure. Any consulting done with said third parties will be at the Customer's expense. Stryker will review equipment installation procedures and process with Customer. Stryker will track construction schedules and make certain both Parties are adhering to originally agreed upon timelines. Stryker will provide Customer with specifications necessary to order applicable network services (obtaining and payment for these services are the Customer's responsibility).

2.4.4. **Installation Responsibilities**: Stryker is responsible for the equipment installation responsibilities as stated in the Pre-Installation Guide (these responsibilities apply only to purchased Stryker Communications equipment unless otherwise agreed upon in the project proposal).

2.5. **Customer Responsibilities**

2.5.1. **Customer Pre-Installation Meeting Responsibilities**: Customer commits to: (i) ensure representatives of Customer's contractors (e.g. electrical, mechanical, gas installer, architect, structural engineer) and Customer's Project Manager, Clinical Department Manager, and any other appropriate Customer personnel are in attendance at all meetings; (ii) provide final completion dates for completion of electrical panel test, gas performance test, and superstructure; (iii) obtain all necessary permits, inspections and/or licenses related to the proposed work; (iv) ensure that the superstructure meets the Stryker Communications requirements; (v) ensure that all Customer requirements in the Pre-Installation Guides have been addressed; and (vi) provide network access (as applicable).

2.5.2. **Customer Pre-Installation Responsibilities**: Prior to Installation Date, Customer agrees to: (i) remove all old equipment from the installation area and transport to Customer's disposal area; (ii) provide ready access to installation site(s) for Stryker Communications personnel; (iii) ensure that the installation site has been prepared in compliance with Stryker Communications specifications as detailed in the Pre-Installation Guides, (including the installation of mounting ring and other support apparatus for the equipment); (iv) ensure all conduits and gas installation provided by Customer's contractors are installed as specified in the Drawings and any applicable architectural drawings; (v) ensure equipment shipping containers (unopened) are in the installation location (including endoscopic equipment, if applicable); (vi) ensure that AC electrical circuits are installed as provided in the Pre-Installation Guides; and (vii) ensure data and other rough-in requirements specified in the Pre-Installation Guides are connected, working and complete. Customer understands and agrees to complete and send to Stryker the Install and Ship Confirmation Form at least eight weeks prior to Installation Date.

2.5.3. **Customer Installation Responsibilities**: Customer responsibilities include: (i) arrange for a locally certified electrician to complete electrical power connections to Stryker Communications equipment; (ii) arrange for a locally certified medical gas technician to test gas connections in Stryker Communications equipment; (iii) ensure that the Customer designated staff members who are responsible for product maintenance are available for instruction on basic maintenance procedures; and (iv) perform inspection and functional assessment of installed Stryker Communications equipment to agreed upon specifications and provide written notification of approval (Customer Acceptance Form) or complete a Project Punch list (nonconforming items that have no functional effect on the system) within 10 business days of completed Installation Services.

2.5.4. Stryker and Customer jointly agree to organize an inspection and valuation meeting to be held at least 30 days before Installation date. Customer is responsible for ensuring all appropriate personnel are in attendance.

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## APPENDIX 3 - PROCARE℠ SERVICES – TERMS AND CONDITIONS

The terms of this Appendix 3 will apply to Customer's purchase of Services under a Stryker Service Plan (as defined Section 1 below). In the event of a conflict or inconsistency between the Standard Terms of Sale and this Appendix 3, relative to a Service Plan, this Appendix 3 will govern.

1. **Service Plan Coverage.** Stryker will perform the repair and maintenance services (collectively, the "**Services**") more particularly described in each service plan (the "**Service Plan**") if entered into by and between Stryker and Customer. The Services will cover the capital equipment (if applicable) identified in the Service Plan (collectively, the "**Equipment**").

2. **Service Plan Terms and Conditions.** In addition to each Service Plan's coverage terms and conditions, the Services will be subject to the PROCARE℠ Services Terms and Conditions set forth below.

3. **Term and Termination.**
   - 3.1. Term. The Term of each Service Plan (the "**Term**") will continue so long as Services are being provided under a Service Plan. Notwithstanding the foregoing, Stryker may change the amounts due as noticed thirty (30) days prior to any renewal.
   - 3.2. Termination for Cause. Either Party may terminate a Service Plan upon written notice to the other Party in the event the other Party breaches the Service Plan and fails to cure the breach within thirty (30) days after receipt of written notice thereof. In the event of such termination, Customer will be entitled to receive from Stryker a refund of all amounts prepaid by Customer under a Service Plan for Services that have not yet been provided by Stryker at the time of such termination, and Stryker will be entitled to receive from Customer payment for all Services that have been provided by Stryker prior to such termination.
   - 3.3. Termination for Convenience. Either Party may terminate this Agreement at any time upon sixty (60) days prior written notice to the other. If Customer has made advance payments, Stryker will provide prorated refund to the Customer for the remaining balance of the term, and any Equipment in Stryker's possession will be promptly returned to Customer.
   - 3.4. Survival of Certain Provisions. The provisions of Term and Termination, Confidentiality, Non Solicitation and Non Hire, Limitations of Liability, Changes, and Assignment will survive the expiration or termination of this Agreement and will be binding to the respective successors, assigns, subsidiaries or affiliates of the Parties.

4. **Product Maintenance.** The Service Plan is ancillary to and not a complete substitute for the requirements of Customer to adhere to the routine maintenance instructions provided by Stryker, its equipment and operations manuals, and accompanying labels and/or inserts for each item of Equipment. Customer covenants and agrees that its appropriate user personnel will follow the instructions and contents of those manuals, labels and inserts.

5. **Warranty; Limitations of Warranty and Liability.** During the Term, Stryker warrants, with the exception of software maintenance services which, if applicable, will be as specified in the Service Plan, the following:
   - 5.1. Stryker has the experience, capability and resources to perform under the Service Plan, and Stryker further represents and warrants that the Services will be performed in a workmanlike manner and with professional diligence and skill;
   - 5.2. Services will comply with all applicable laws and regulations and all applicable standards set forth by law or ordinance or established by the rules and regulations of any federal, state or local agency, department, commission, association or pertinent governing, accrediting or advisory body, including The Joint Commission having authority to set standards for healthcare facilities;
   - 5.3. If the Services are to be performed on Customer's premises, Stryker represents and warrants that Stryker will comply with all applicable safety laws and Customer's then current safety and other applicable regulations, all human resource policies and health and drug and alcohol screening policies; provided that Customer has provided advance written notification of such rules, regulations and policies to Stryker;
   - 5.4. Stryker currently has, or prior to the commencement thereof, will obtain, pay for, and maintain any and all licenses, fees, and qualifications required to perform the Services.
   - 5.5. Stryker will maintain the Equipment in good working condition. Equipment and Equipment components repaired or replaced under this Service Plan continue to be warranted as described herein during the Term. When Equipment or component is replaced, the item provided in replacement will be the customer's property and the replaced item will be Stryker's property. If a refund is provided by Stryker, the Equipment for which the refund is provided must be returned to Stryker and will become Stryker's property.
   - 5.6. TO THE FULLEST EXTENT PERMITTED BY LAW, THE EXPRESS WARRANTIES SET FORTH HEREIN ARE THE ONLY WARRANTIES APPLICABLE TO THE SERVICES AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTY BY STRYKER, AND STRYKER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES REGARDING THE SERVICES, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. IN NO INSTANCE WILL STRYKER BE LIABLE TO CUSTOMER FOR INCIDENTAL, PUNITIVE, SPECIAL, COVER, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES OR ATTORNEYS' FEES OR COSTS.

6. **Limitations and Exclusions from Service Plan.** Customer will use commercially reasonable efforts to cooperate with Stryker in connection with Stryker's performance of the Services. Customer understands and acknowledges that Stryker ProCare employees will not provide surgical or medical advice, will not practice surgery or medicine, will not be involved in any manner which may be construed as practicing surgery or medicine, will not come in contact with the patient, will not enter the "sterile field" at any time, and will not direct equipment or instruments that come in contact with the patient during surgery. Customer's personnel will refrain from requesting

Stryker employees to take any actions in violation of these requirements or in violation of applicable laws, rules or regulations, Customer policies, or the patient's informed consent. A refusal by Stryker employees to engage in such activities will not be a breach of this Agreement. Customer consents to the presence of Stryker employees in its operating rooms, where applicable, in order for Stryker to provide Services under this Agreement and represents that it will obtain all necessary consents from patients for such presence during surgery.

Notwithstanding any other provision set forth herein, the Service Plan does not cover the following, as determined by Stryker in its sole discretion:(i) abnormal wear or damage caused by reckless or intentional misconduct, abuse, neglect or failure to perform normal and routine maintenance as set out in the applicable maintenance manual or operating instructions provided with the Equipment; (ii) accidents, catastrophe, fire, flood or act(s) of God; (iii) damage resulting from faulty maintenance, improper storage, repair, handling or use, damage and/or alteration by non-Stryker authorized personnel; (iv) service necessary due to the failure of the Customer or anyone under its control to comply with written instructions or recommendations; (v) equipment on which any original serial numbers or other identification marks have been removed or destroyed; (vi) damage caused as a result of the use of the Equipment beyond the useful life, if any, specified for such equipment in the user manual; (vii) service Stryker cannot perform because the Equipment has been discontinued or its parts have been discontinued or made obsolete; (viii) service to the Equipment if the Equipment or the Equipment site is contaminated with blood or other potentially infectious substances; or (ix) equipment that has been repaired with any unauthorized or non-Stryker components. In addition, in order to ensure safe operation of the Equipment, only Stryker accessories should be used. Stryker reserves the right to invalidate a Service Plan and any complimentary loaner programs thereunder if Equipment is used with accessories not manufactured by Stryker. If, at any time, upon inspection of the Equipment in service, Stryker deems any single unit of Equipment to be unserviceable, a record and report of such will be made, and provided to the Customer in writing on the date of service.

**7. Indemnification.**

7.1. Stryker will indemnify and defend Customer against any third party liability and/or damages ("**Claims**") that Customer may incur directly as a result of bodily injury (including death) or property damage arising solely from the gross negligence, willful misconduct or omissions of Stryker or its employees agents, or contractors in the course of providing Services. The foregoing indemnification will not apply to any Claims arising from: (i) an injury or damage due to the negligence of any person other than a Stryker employee or agent; (ii) the failure of any person other than a Stryker employee or agent to follow any instructions outlined in the labeling, manual, and/or instructions for use of the Equipment; (iii) the use of any equipment or part not purchased from Stryker; (iv) abnormal wear and tear or damage caused by misuse or by Customer's failure to perform normal and routine maintenance as set out in the maintenance manual and/or operating instructions provided with the Equipment, or as demonstrated by an authorized Stryker representative; or (v) any equipment or any part thereof that has been modified, altered or repaired by any person other than Stryker's employee or agent. Customer agrees to indemnify and defend Stryker against any Claims arising from (i) through (v) above due to the negligent acts or omissions of Customer or its officers, employees, representatives or agents.

7.2. Stryker's indemnification obligations under this Section 7 are conditioned on Customer promptly providing Stryker with (i) timely written notice of any Claim for which indemnification is sought; (ii) reasonable assistance and all available non-proprietary information reasonably required in the defense or settlement of any Claim; and (iii) sole control over the defense against any Claim and the settlement of any Claim; provided, however, that Stryker will not agree to any settlement or compromise that imposes or results in any finding of fault or any restriction or obligation on the part of Customer without Customer's prior written consent (which will not be unreasonably withheld).

**8. Confidentiality.**

8.1. Customer must remove or secure any "Protected Health Information" ("**PHI**") as defined in the Health Insurance Portability and Accountability Act of 1996 from Equipment prior to Stryker performing Services. Although Stryker will make reasonably commercial efforts to secure any PHI encountered, Stryker is not responsible for the security thereof.

8.2. All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived from or obtained during the course of the Agreement, will be treated by both Parties as confidential so as to comply with all applicable state and federal laws and regulations regarding confidentiality of patient records, and will not be released, disclosed, or published to any party other than as required or permitted under applicable laws.

**9. Non-Solicitation and Non-Hire**. Customer agrees that, during the Term and for a period of one (1) year following the termination or expiration of a Service Plan, it will not solicit any employees of Stryker to terminate their employment with Stryker, unless Stryker consents in writing. Nothing herein will prohibit Customer from hiring employees of Stryker who respond to a general employment solicitation such as a newspaper advertisement.

**10. Background Check**. Stryker warrants that all of its employees who will be on a Customer's premises to perform Services will have undergone a background check as part of Stryker's hiring practice and/or as required by Customer's vendor credentialing program. The background check consists of the following:

- Criminal background check
- National sex offender registry check
- Education verification
- Employment history
- SSN verification
- Driving record

- Government sanction/watch lists

During the Term, a Customer may request a conference with Stryker at any reasonable time regarding the performance, behavior or expectations of any Stryker service personnel who are assigned to Customer's facility. Any Stryker service personnel who willingly and knowingly violates Customer's rules, regulations, procedures, or polices may be removed from Customer's facility at Customer's option and will be replaced by Stryker promptly.

11. **Changes**. At any time during the Term, and upon each Party's written consent, additional Services or Equipment may be added or deleted from a plan. Such changes will be governed by the terms and conditions of the Service Plan. Stryker may modify the applicable Service Plan to reflect adjustments to charges attributable to plan changes.

12. **Parts and Subcontracting**. Stryker may elect to use new or used parts related to the Services in its sole discretion. Stryker reserves the right to hire subcontractors to perform the Services.

13. **Independent Contractor.** The Parties are independent contractors with respect to one another. However, to the extent Stryker, Stryker personnel or subcontractors come to Customer's property, to the extent applicable, they will follow Customer's written and posted work place policies.

*****

stryker

## New Ambulance PL

| | | | |
|---|---|---|---|
| Quote Number: | 11283111 | Remit to: | Stryker Sales, LLC<br>21343 NETWORK PLACE<br>CHICAGO IL 60673-1213<br>USA |
| Version: | 1 | Division: | Medical |
| Prepared For: | GEORGETOWN FIRE DEPT STATION 5 | Rep: | Cody Matthews |
| | Attn: | Email: | cody.matthews@stryker.com |
| | | Phone Number: | |

| | |
|---|---|
| Quote Date: | 03/30/2026 |
| Expiration Date: | 06/28/2026 |
| Contract Start: | |
| Contract End: | |

| Delivery Address | | Sold To - Shipping | | Bill To Account | |
|---|---|---|---|---|---|
| Name: | GEORGETOWN FIRE DEPT STATION 5 | Name: | GEORGETOWN FIRE DEPT STATION 5 | Name: | GEORGETOWN FIRE DEPT |
| Account #: | 20029313 | Account #: | 20029313 | Account #: | 20097943 |
| Address: | 3600 D B WOOD RD | Address: | 3600 D B WOOD RD | Address: | POBox 409 |
| | GEORGETOWN | | GEORGETOWN | | GEORGETOWN |
| | Texas 78628-7214 | | Texas 78628-7214 | | Texas 78627-0409 |

### Equipment Products:

| # | Product | Description | Qty | Sell Price | Total |
|---|---|---|---|---|---|
| 1.0 | 650705550001 | 6507 POWER PRO 2, HIGH CONFIG | 2 | $37,741.44 | $75,482.88 |
| | | | Equipment Total: | | $75,482.88 |

### ProCare Products:

| # | Product | Description | Qty | Sell Price | Total |
|---|---|---|---|---|---|
| 2.1 | POWERPRO-PROCARE | Power Pro 2 for 6507 POWER PRO 2, HIGH CONFIG<br>*03/31/2026 - 03/30/2032*<br>√ Parts, Labor, Travel √ Preventative Maintenance √ Batteries Service | 2 | $9,547.50 | $19,095.00 |
| | | | ProCare Total: | | $19,095.00 |

### Price Totals:

| | |
|---|---|
| Estimated Sales Tax (0.000%): | $0.00 |
| Shipping and Handling: | $943.54 |
| Grand Total: | $95,521.42 |

Prices: In effect for 30 days
Terms: Net 30 Days



*This is not an Invoice*

stryker

## New Ambulance PL

| | | | |
|---|---|---|---|
| Quote Number: | 11283111 | Remit to: | Stryker Sales, LLC<br>21343 NETWORK PLACE<br>CHICAGO IL 60673-1213<br>USA |
| Version: | 1 | Division: | Medical |
| Prepared For: | GEORGETOWN FIRE DEPT STATION 5 | Rep: | Cody Matthews |
| | Attn: | Email: | cody.matthews@stryker.com |
| | | Phone Number: | |
| Quote Date: | 03/30/2026 | | |
| Expiration Date: | 06/28/2026 | | |
| Contract Start: | | | |
| Contract End: | | | |

**Comments:**
Parties acknowledge and agree that this transaction shall be governed by the terms attached hereto as Exhibit A.

**Shipping & Handling Includes:**
Standard freight, special packaging, semi rigging cranes, labor & delivery of equipment to final location, removal of all packaging, pre-delivery site check, education/training.

**STRYKER SALES, LLC, acting through its Medical division**

**Signature:** _____

**Name:** _____

**Title:** _____

**Date:** _____

**Address:**
Attn: Legal
3800 E. Centre Ave.
Portage, MI 49002

With electronic copy to: USContracts@stryker.com

**GEORGETOWN FIRE DEPT STATION 5**

**Signature:** _____

**Name:** _____

**Title:** _____

**Date:** _____

**Address:**
3600 D B Wood Rd
Georgetown
Texas 78628-7214

Notices will be sent to the Parties at the addresses listed herein.

# Exhibit A

## STANDARD TERMS OF SALE (US)

1. **General**. All sales of Products distributed by Stryker in the United States are subject to the following terms and conditions. In these "**Standard Terms of Sale**", "**Stryker**" means Stryker Corporation and any of its affiliates providing Products to Customer, goods and services sold by Stryker are referred to as "**Products**", and the purchaser of the Products is referred to as the "**Customer.**" Stryker and Customer are herein collectively referred to as "**Parties**".

2. **Price and Taxes.**
   2.1. Prices shown on Stryker invoices are net of discounts provided at the time of purchase and Products listed on an invoice may be subject to additional rebates or discounts, for which separate documentation is provided by Stryker. Customer must: (i) claim the value of all rebates or discounts in Customer's fiscal year earned or the immediately following fiscal year; (ii) properly report and appropriately reflect and allocate prices paid net of all discounts and rebates in Medicare/Medicaid cost reports and all claims for payment filed with third party payors as required by law or contract; and (iii) provide agents of the U.S. or a state agency with access to all information from Stryker concerning discounts and rebates upon request.
   2.2. Stryker's price does not include sales, use, value added, franchise, gross receipts, profits, excise, privilege, occupation, personal property, withholding and all other federal, state or local or foreign taxes, import or customs fees and duties associated with an order, however designated (collectively, "**Taxes**"). Customer will be liable for all Taxes, whether or not Stryker invoices Customer for such Taxes (unless Customer will provide Stryker at the time an order is submitted with an exemption certificate or other documents acceptable to taxing or customs authorities).

3. **Payment Terms**. All payments will be processed in accordance with Texas Prompt Payment Act, Texas Government Code, Subtitle F, Chapter 2251. The Customer will pay Stryker within thirty days after of receipt of a correct payment application for services. Stryker may charge a late fee (fee shall not be greater than that permitted under the Texas Prompt Payment Act) for payments not made in accordance with this prompt payment policy; however, the policy does not apply to payments made by the Customer in the event: (a) there is a bona fide dispute between the Customer and Stryker concerning the goods, supplies, materials, equipment delivered, or the services performed, that causes the payment to be late; (b) the terms of a federal agreement, grant, regulation or statute prevents the Customer from making a timely payment with Federal funds; (c) there is a bona fide dispute between Stryker and a subcontractor and its suppliers concerning goods, supplies, material, or equipment delivered, or the services performed, which caused the payment to be late; or (d) the payment application is not mailed to the Customer in accordance with this Agreement. Customer must notify Stryker in writing of any disputed invoice within 15 days of its receipt. The writing must provide Stryker with sufficient detail regarding the basis and amount of the dispute. If Customer does not dispute an invoice within 15 days of its receipt, such invoice will be deemed to have been approved and accepted by Customer.

4. **Non-Appropriation.** This sale is a commitment of Customer's current revenues only. Customer shall have the right to terminate this Agreement at the end of any Customer fiscal year if the governing body of the city does not appropriate funds sufficient to purchase the services. The Customer may terminate for non-appropriation by giving the Contractor a written notice of termination at the end of its then current fiscal year.

5. **Credit Policies**. Based upon Customer's financial position and payment history, Stryker may, in Stryker's sole discretion, assign Customer a credit limit. Customer's total pending orders and outstanding accounts payable to Stryker must remain within the amount of the credit limit. Stryker may at any time, in Stryker's sole discretion, modify or discontinue Customer's credit limit or modify Stryker's credit terms and other credit policies. Neither this paragraph nor any other provision of these Standard Terms of Sale makes Customer a dealer or distributor of Stryker or obligates Stryker to sell any Products to Customer.

6. **Delivery, Title, and Risk of Loss.** Unless otherwise provided on an invoice, or except for Products purchased on a consignment basis, all Products purchased directly from Stryker will be shipped F.O.B Destination, freight, insurance and handling prepaid and added to the invoice. Title and risk of loss transfer to Customer upon delivery of the Products to the Customer. Shipping and delivery dates are estimates only, and time is not of the essence. Stryker may ship all the Products at one time or in portions. Stryker will have the right to determine the method of shipment and routing of the Products, unless Stryker agrees otherwise in writing. All Products will be shipped to the address indicated in the "ship to" portion of Customer's purchase order. Stryker reserves the right to refuse to ship the Products to third parties.

7. **Consignment and Loaned Instrumentation.** To the extent Products are consigned or loaned to Customer, the additional terms and conditions set forth in in **Appendix 1** hereto will apply.

8. **Stryker Communications Products.** To the extent Products purchased by Customer include equipment and installation services provided by Stryker's Communications division, the additional terms and conditions set forth in in **Appendix 2** hereto will apply.

9. **Trade-in Equipment**. Any trade-in discount reflected on an invoice is an additional discount given by Stryker as a result of trade-in equipment remitted to Stryker by Customer at Customer's request. Customer transfers and delivers unto Stryker all of Customer's rights, title and interest in and to such trade-in equipment and all trade-in equipment must be shipped to the address designated by Stryker within the time period agreed to by the Parties. All trade-in equipment must be appropriately packaged, consistent with Stryker's instructions or if such instructions have not been provided, with good commercial practice. Customer assumes responsibility for shipment of trade-in equipment to Stryker and for risk of loss or damage during shipment. Trade-in equipment must be accompanied by a copy of the purchase order or the trade-in order number. Failure to return trade-in equipment in accordance with these instructions may result

in forfeiture of the trade-in discount, for which Stryker will bill Customer, to be paid by Customer in accordance with Section 3.

**10. Product Training**. Stryker may provide technical training, including both initial training for new users and supplemental training for existing users, as needed to promote the safe and effective use of its Products sold to Customer. Such technical training will be provided for any health care practitioner who uses or intends to use the Product and is employed by, or is on the active medical staff of, Customer. If Stryker provides the technical training to a health care professional, it may pay for or reimburse the reasonable expenses, including meals, lodging and transportation, actually incurred by eligible recipients in connection with the technical training provided under this paragraph. Such training is not deemed a condition precedent to sale of the Products or Customer's acceptance thereof.

**11. Warranties, Return Policies and Maintenance**.

11.1. In addition to Stryker's current standard Product warranties, if applicable, Stryker warrants that: (i) it has good title to Products shipped directly to Customer, free of all liens, claims and encumbrances; and (ii) the Products, at the time of sale, meet applicable FDA clearance or approval (as applicable) necessary for commercial sale. Notwithstanding the foregoing clause (i), Customer agrees that Stryker will retain a purchase money security interest in the Products, and to any proceeds from the disposition of such Products, until the purchase price and other charges due Stryker have been paid in full. Upon any default by Customer hereunder, Stryker will have any and all rights and remedies of secured party under the Uniform Commercial Code which right will be cumulative.

11.2. THE EXPRESS WARRANTIES SET FORTH IN SECTION 11.1 AND STRYKER'S STANDARD PRODUCT WARRANTY ARE THE ONLY WARRANTIES APPLICABLE TO THE PRODUCTS SOLD TO CUSTOMER AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTY BY STRYKER, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, NONINFRIGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

11.3. Products returned by Customer for credit, replacement and/or repair will be in accordance Stryker's applicable return policy.

11.4. Stryker's standard Product warranties and return policies can be found at **www.stryker.com/returnpolicy**. Stryker's Product warranties apply only to (i) the original end-user purchaser of Products directly from Stryker or its authorized distributors and (ii) Products manufactured by Stryker. Unless otherwise agreed to in writing by Stryker, non-Stryker Products are sold "as-is" with no warranty of any kind, express or implied.

11.5. In addition to Stryker's standard Product warranties, service plans for repairs and maintenance may be purchased at any time for a number of Stryker's capital equipment Products. These special service plans cover repair and/or maintenance that the designated piece of equipment may require during the term of the service plan contract. Specific service plan details are available through your local Stryker sales representative. Stryker's service plan terms and conditions are set forth in **Appendix 3** hereto.

11.6. Customer agrees that Stryker may monitor use of the Products, and services provided through the Products, by Customer and users and collect and use Stryker Data, including to compile information related to the provision, operation or use of a Product, facilitate the provision of support, consulting, training and other services, and verify compliance with the terms of this Agreement. Stryker may use and make publicly available, Stryker Data to the extent and in the manner permitted under applicable law. "Stryker Data" means any data relating to or arising from the business operations or plans, services and products of Stryker or the performance or use of the Products or that may aide Stryker in optimizing resources and support; may be used to improve products or services, may be used in research and development regarding products or services; may be used in verification of security and data integrity of products or services or in resource planning, industry trends, benchmarking, or contract administration (e.g., data used for sales compensation), and any Personal Information that is aggregated and not identified or identifiable to any individual.

**12. Software License**.

12.1. Certain Products contain software that is installed into the Products by Stryker. Stryker owns this software and each sale of a software-containing Product is not a sale of such software; it includes only a license to use the software in the Product in which the software was initially installed solely in accordance with the documentation provided with such Product. The license for any such software may be embedded in the equipment, the product documentation or available on https://www.stryker.com/us/en/legal/it.html and shall automatically apply to such product on first use of the product. ANY SOFTWARE LICENSE PROVIDED BY STRYKER DOES NOT EXTEND TO ANY MAINTENANCE OR SERVICE SOFTWARE SHIPPED TO OR LOCATED AT CUSTOMER'S PREMISES WHICH IS INTENDED TO ASSIST STRYKER EMPLOYEES OR AGENTS IN THE INSTALLATION, TESTING, SERVICE, AND MAINTENANCE OF ANY PRODUCT. CUSTOMER ACKNOWLEDGES THAT SOFTWARE PROVIDED WITH A PRODUCT MAY CONTAIN THIRD PARTY SOFTWARE (INCLUDING BUT NOT LIMITED TO OPEN SOURCE SOFTWARE LICENSES), AND THAT SUCH SOFTWARE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE APPLICABLE LICENSE THAT ACCOMPANIES IT. A LIST OF OPEN SOURCE SOFTWARE USED IN STRYKER PRODUCTS AND THEIR APPLICABLE LICENSES MAY BE FOUNDAT https://www.stryker.com/us/en/legal/it.html.

12.2. Any license granted by Stryker to use the software contained in its Products does not give the licensee the right to copy, alter, disassemble, reverse engineer, create derivative works of such software or to use such software in either original or modified form in any product other than the Stryker Product in which the software was initially installed by Stryker. Such use is strictly prohibited.

12.3. Prior to delivering a Product containing software, Stryker may, but is not required to, require Customer to execute a license agreement to acknowledge the terms of this Section 11 and any additional terms under which Stryker may elect to license its software. If a Customer elects not to sign a license agreement, Stryker reserves the right to cancel the order for the Product containing the software. If Customer accepts a Product without agreeing to any additional licensee agreement, Customer is still bound by the license term set forth herein. If Customer receives a Stryker Product without executing a license, the Customer is still bound by the applicable license.

**13. Indemnity.**

13.1. Stryker agrees to indemnify Customer for third party liability ("Claims") that Customer is adjudicated to have directly as a result of:

(i) a defect in workmanship or materials of the Products that are manufactured by Stryker; or (ii) a defect in the reprocessing services, for any Products that are subject to Stryker's reprocessing services. This indemnification does not apply to Claims arising from: (a) the negligence of any person other than an employee or agent of Stryker; (b) the failure of any person other than an employee or agent of Stryker to follow any labeling, manuals and/or instructions for use of the Products; (c) the use of any product (or any accessories) not purchased from Stryker; (d) abnormal wear and tear or damage caused by misuse or by Customer's failure to perform normal and routine maintenance as set out in the maintenance manual and/or operating instructions provided with Products, or as demonstrated by an authorized Stryker representative; or (e) Product that has been modified, altered, or repaired by any person other than an employee or agent of Stryker. Customer agrees to indemnify Stryker against any Claims to the extent arising from (a) through (e) above due to the negligent acts or omissions of Customer or its officers, employees, representatives or agents. The rights and obligations relating to indemnification for any Claims relating to a Product are expressly defined only by these Standard Terms of Sale. Neither Stryker nor Customer have any rights or obligations to a defense against any Claim relating to the Products.

13.2. Stryker's indemnification obligations under this Section 13 are conditioned on Customer promptly providing Stryker with (i) timely written notice of any Claim for which indemnification is sought; (ii) reasonable assistance and all available non-proprietary information reasonably required in the defense or settlement of any Claim; and (iii) sole control over the defense against any Claim and the settlement of any Claim; provided, however, that Stryker will not agree to any settlement or compromise that imposes or results in any finding of fault or any restriction or obligation on the part of Customer without Customer's prior written consent (which will not be unreasonably withheld).

**14. Insurance**.

14.1. Stryker will maintain general liability insurance, including coverage for Products and completed operations, auto liability insurance and workers' compensation and employer's liability insurance subject to appropriate limits covering claims alleging negligence by or liability of Stryker that might arise out of sales of Products by Stryker hereunder. To the extent permitted by applicable laws and regulations, Stryker has the right to comply with this requirement through a program of self-insurance. When requested by Customer in writing, Stryker will furnish an insurance certificate or other documentation evidencing the insurance or self-insurance coverage required above.

14.2. Customer will maintain appropriate types of liability insurance subject to appropriate limits covering claims alleging negligence by or liability of Customer that might arise out of purchases of Products by Customer hereunder, including liability arising out of Customer's indemnity obligations set forth in Section 12 above. When requested by Stryker in writing, Customer will provide a certificate of insurance evidencing such coverage.

**15. Limitation of Liability**. STRYKER'S LIABILITY ARISING IN CONNECTION WITH OR UNDER THESE STANDARD TERMS OF SALE (WHETHER UNDER THE THEORIES OF BREACH OF CONTRACT, TORT, MISREPRESENTATION, FRAUD, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER THEORY OF LAW) WILL NOT EXCEED THE PURCHASE PRICE OF THE APPLICABLE PRODUCTS MINUS DEPRECIATION OR IN THE CASE OF SERVICES, SERVICE FEES PAID BY CUSTOMER IN THE 12 MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM. NEITHER PARTY WILL BE ENTITLED TO, NOR WILL BE LIABLE FOR, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY NATURE, INCLUDING, BUT NOT LIMITED TO, LOSS OF BUSINESS, PROFITS OR REVENUE OR BUSINESS INTERRUPTION.

**16. Confidentiality**. Stryker and Customer: (i) will hold in strictest confidence Product pricing, proposals, invoices and any information and materials which are related to the business of the other or are designated as proprietary or confidential, herein or otherwise, or which a reasonable person would consider to be proprietary or confidential information; (ii) hereby covenant that, subject to Section 2.1, they will not disclose such information to any third party without prior written authorization of the one to whom such information relates; and (iii) agree that any breach or threatened breach of this section may cause irreparable harm, that a remedy at law will be inadequate to remedy such a breach or threatened breach, and that this section will be enforceable by way of a restraining order or injunction, without the necessity of posting a bond, in addition to any other available legal remedies. Notwithstanding this paragraph, Stryker understands that the Customer is a public entity subject to the Texas Open Meetings Act and the Texas Public Information Act and may be required to make the previously-listed information available without notice to Stryker in accordance with the Texas Open Meetings Act and the Texas Public Information Act or other local, state, or federal law. For example, quotes, contracts, and other documents related to Customer purchases may be attached to a publicly-posted City Council agenda.

**17. Default**. In the event of Customer's default in payment for the Products purchased hereunder, Customer will be responsible for all reasonable costs and expenses (including reasonable attorney's fees) incurred by Stryker in collection of any sums owing by Customer, and Stryker will not be obligated to make any further deliveries to Customer. Should Customer elect to cancel its order, in whole or in part, Customer will be liable to Stryker for any non-refundable deposits and reasonable cancellation charges that will include, but not be limited to, all costs and expenses incurred by Stryker in connection with procuring and filling Customer's purchase order.

**18. Force Majeure.** The Customer and Stryker will exert all efforts to perform the tasks set forth herein within the proposed schedules. However, neither the Customer nor Stryker shall be held responsible for inability to perform under this Agreement if such inability is a direct result of a force substantially beyond its control, including but not limited to the following: strikes, riots, civil disturbances, fire, insurrection, war, embargoes, failures of carriers, acts of God, or the public enemy.

**19. Compliance with Law; Not For Resale or Export**. Customer represents and warrants that it: (i) will comply with all applicable laws and regulations of the various states and of the United States in the use of the Products; and (ii) is buying Product(s) for its internal use only, and not for resale or export.

20. **Miscellaneous**. These Standard Terms of Sale constitute the entire agreement between the Parties with respect to the purchase of Products, and any modification or amendments must be in writing and signed by both Parties. The Agreement and these Standard Terms of Sale are in lieu of and replace any and all terms and conditions set forth in any documents issued by Customer. Any additional, different, or conflicting terms and conditions on any such document issued by Customer at any time are hereby rejected by Stryker and will not be binding in any way on Stryker. Neither Party will transfer or assign any or all of its rights or interests, or delegate any of its obligations, hereunder, without the prior written consent of the other Party (which consent will not be unreasonably withheld); provided, however, Stryker may assign its rights or interests, or delegate its obligations, in whole or in part, to any of its affiliates without the prior consent of Customer. The Standard Terms of Sale and the Agreement will be binding upon, will inure to the benefit of, and be enforceable by permitted successors and assigns of the Parties. The rights and remedies conferred under the Agreement and under these Standard Terms of Sale apply only to Stryker and Customer, and will not be construed to inure to the benefit of or provide any right of action to any other person, including without limitation any patient or third-party payor. In the event that any provision of these Standard Terms of Sale is determined to be unenforceable or invalid, such provision will nonetheless be enforced to the fullest extent permitted by applicable law, and such determination will not affect the validity and enforceability of any other remaining provisions. These Standard Terms of Sale will be governed by and construed in accordance with the laws of the State of Texas as applicable to contracts made and to be performed in that state, without regard to conflicts of laws principles. Venue shall be the applicable courts of Williamson County, Texas.

21. **Professional Services**. Stryker may provide professional services to Customer, including, but not limited to, consulting, advisory, program development and implementation and data analytics services. Such services are only provided to Customer, and governed by, separate services contracts entered into by Stryker and Customer and are not subject to these Standard Terms of Sale.

## APPENDIX 1 - CONSIGNMENT AND LOANED INSTRUMENTATION TERMS

**1. Consignment.**

1.1. Stryker will place at a Customer's designated premises on a consignment basis, such quantities and types of Product as Customer and Stryker may mutually agree upon (collectively, the "**Consigned Inventory**"). The initial quantities, types and applicable par levels for Consigned Inventory (and any future modification thereto) will be agreed upon in writing by the Parties. Customer must provide appropriate space to store and safeguard the Consigned Inventory.

1.2. All Consigned Inventory is the property of Stryker until withdrawn by Customer; however, Customer accepts all risk of loss and full responsibility for payment for all Consigned Inventory which may be used, opened, lost, or damaged. Customer must return to Stryker all damaged Consigned Inventory, and Stryker will arrange to have the damaged items destroyed. Customer must use reasonable efforts to: (i) identify all Consigned Inventory as being the property of Stryker and label it separately by Stryker division within Customer's storerooms and operating rooms; (ii) separate Consigned Inventory from property of Customer (including products housed in inventory carts); and (iii) maintain complete and accurate records concerning the Consigned Inventory.

1.3. Customer, in its sole discretion, will determine whether to withdraw items of Consigned Inventory. As a Product is withdrawn from the Consigned Inventory, the Product will be deemed to have been purchased by Customer, title in the Product will pass to Customer and title in the sale proceeds will vest in and belong to Stryker. Within two days from the withdrawal from consignment of any Consigned Inventory, Customer must issue to Stryker a hard copy of a purchase order for such withdrawn items. In the event Customer fails to issue a purchase order to Stryker, Customer will be in default and forfeit any agreed upon discounts and Stryker, at its option, may place Customer on credit hold and remove Consigned Inventory from Customer's premises.

1.4. Stryker may audit (including a physical inventory) this consignment arrangement during business hours upon 24 - hours' notice to Customer. In the event that Stryker's audit of the Consigned Inventory concludes that inventory is missing, Customer agrees that it will pay to Stryker any monies which are due and owing based on the missing inventory. In the event that Stryker's audit of the Consigned Inventory concludes that a surplus exists, Stryker will adjust consignment inventory levels to reflect the amount as determined by the audit. Customer and Stryker agree to meet within 15 days after an audit of the inventory has been taken by Stryker to resolve whether a surplus or a shortfall exists.

1.5. Should Consigned Inventory reach sterilization expiration, Stryker will, at its sole option, either replace the Consigned Inventory or reduce inventory levels equivalent to the amount, by item number, of expired Consigned Inventory. Notwithstanding any language to the contrary, in the event that sterilization expiration should occur while Consigned Inventory is in Customer's possession, full responsibility for ensuring the expired inventory is not used in a patient procedure remains with Customer. Stryker will be responsible for updating the Consigned Inventory as needed.

1.6. In the event the Consigned Inventory includes human tissue grafts, Customer agrees to: (i) comply with all applicable federal and state laws and regulations relating to the consigned human tissue grafts, including, without limitation, all applicable tissue tracking requirements and applicable standards and guidelines adopted by the American Association of Tissue Banks; and (ii) control the consigned human tissue grafts according to temperature requirements and JCAHO Tissue and Issuance Standards 17.10, 17.20, and 17.30.

1.7. Upon notice or expiration or termination of a consignment arrangement, Customer will, within 10 days, deliver as directed by Stryker all Consigned Inventory then in the possession or control of such Customer.

**2. Loaned Instrumentation.** If applicable, Stryker may provide certain of its non-disposable orthopaedic surgical instruments ("**Instrumentation**") to Customer as follows:

2.1. The quantity of Instrumentation will be as mutually agreed to by Customer and Stryker.

2.2. Customer will have no ownership interest in the Instrumentation; however, Customer is responsible for maintaining the Instrumentation in good condition and for using reasonable care in its handling and storage. Customer will be responsible for any loss of or damage to the Instrumentation. Upon expiration or termination of an Instrumentation loan arrangement, Instrumentation will be removed from Customer and returned to Stryker at Stryker's expense.

2.3. Except as otherwise provided, Instrumentation will be provided by Stryker on a loaned basis at no additional cost or expense to Customer except as noted in the preceding paragraph. The Instrumentation provided is restricted for use with the Products only and is not separately reimbursable and has no independent value. Customer will maintain appropriate property insurance on the Instrumentation during the term of any Instrumentation loan arrangement to provide coverage against loss by theft, fire damage, acts of nature or other cause.

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## APPENDIX 2 – STRYKER COMMUNICATIONS EQUIPMENT PURCHASE AND INSTALLATION SERVICES TERMS

The terms of this Appendix 2 will apply to Customer's purchase of equipment and any related services from Stryker's Communications division. In the event of a conflict or inconsistency between the Standard Terms of Sale and this Appendix 2, relative to equipment and services sold by the Communications division only, this Appendix 2 will govern. Stryker Communications may offer standalone software products to Customer. Such software is only licensed to Customer, and governed by, separate software license agreements entered into by Stryker Communications and Customer and are not subject to these Standard Terms of Sale, including this Appendix 2.

**1. Equipment Purchases.**

1.1. **Payment Terms:**

1.1.1. **Deposit:** A non-refundable deposit of 50% of the equipment purchase price will be due upon Stryker's acceptance of Customer's purchase order ("**Deposit**").

1.1.2. **Additional Payments:** Additional payments for equipment will be invoiced upon Stryker's shipment of the equipment and are payable by Customer in accordance with Stryker's Standard Terms of Sale.

1.1.3. **Engineering Services:** Charges for any Engineering Services (as defined in Section 1.3 below) will be invoiced by Stryker as they are performed, or upon shipment of equipment to Customer, whichever is later. Such invoices are payable by Customer in accordance with Stryker's Standard Terms of Sale.

1.1.4. **Contingency**: Customer may elect to include a contingency charge amount on its purchase order that may be applied as a credit for potential future changes or additions to the Stryker Communications equipment that Customer wishes to purchase ("**Contingency Charge**"). If Customer elects to make such a change or addition, any charges for such change or addition will be added to the equipment purchase price and will be deducted from the Contingency Charge until such Contingency Charge is exhausted. Customer may make changes or additions in an amount up to the then current balance of the Contingency Charge without initiating the Change Order process as further described in Section 1.4 below. Pricing for all equipment changed or added in such a way will be at a discount off Stryker's list price equivalent to the discount provided on the applicable purchase order. In the event of an unapplied Contingency Charge balance upon completion of the order, Customer will not be obligated to pay such amount. Unapplied Contingency Charge balances may be cancelled upon written request from the Customer.

1.2. **Shipment and Installation Dates**:

1.2.1. The Parties agree to estimate the date that installation of the equipment will occur (the "**Anticipated Installation Date**"). The actual dates of shipment will be mutually agreed upon between Stryker and Customer ("**Shipment Date**"); provided, however, that the Anticipated Installation Date may not be changed less than eight weeks prior to the scheduled Anticipated Installation Date. Stryker will use its commercially reasonable best efforts to meet all Shipment Dates requested by Customer. Customer understands that production and installation scheduling will not occur until Stryker's receipt of: (i) Customer's deposit payment pursuant to Section 1.1.1; and (ii) a completed Shipment and Installation Date Confirmation Form. If Customer requests a rescheduling of the Installation Date with less than eight - weeks' notice prior to the Anticipated Installation Date, Customer agrees to accept all shipments of ordered Products no later than the original Installation Date and, if necessary, make necessary arrangements for storage of the Stryker Communications equipment at Customer's expense until the rescheduled Installation Date.

1.2.2. If Customer delays or extends shipment or installation of the equipment, Customer will arrange for and notify Stryker of the place or places to which Stryker will ship the equipment for storage at Customer's expense and all risk of loss or damage to the equipment will be the responsibility of the Customer. Stryker will invoice Customer for the equipment upon shipment and Customer agrees to pay such invoice in accordance with Stryker's Standard Terms of Sale.

1.3. **Engineering Services:** Stryker agrees to provide the engineering services described in the project proposal provided to Customer, if any, subject to the terms and conditions hereof ("**Engineering Services**").

1.4. **Change Orders:** Options, upgrades and additions to Stryker Communications equipment may be available ("**Change Orders**"). Change Orders will require a new purchase order or an addendum to the original purchase order, which could result in changes to the total purchase price. Change Orders made less than eight weeks prior to the scheduled Installation Date may result in shipping delays and additional expenses for expedited shipping.

**2. Installation Services.**

2.1. **Payment Terms:** Charges for Installation Services (as defined in Section 2.3 below) will be invoiced upon Customer Acceptance (as defined in Section 2.2 below). If installation of the equipment is completed in phases at Customer's request, Stryker will invoice Customer separately for the Installation Services provided in each phase. Such invoices are payable by Customer in accordance with Stryker's Standard Terms of Sale.

2.2. **Customer Acceptance:** Acceptance of Installation Services will occur on the earlier of the following: (i) Stryker's receipt of a "Customer Acceptance Form" signed by Customer; (b) clinical utilization of Stryker Communications equipment by Customer; or (iii) 60 days after the completion of installation of Stryker Communications equipment ("**Customer Acceptance**").

2.3. **Installation Services**: The installation services to be provided by Stryker in connection with Stryker Communications equipment are further defined in the project proposal provided to Customer (the "**Installation Services**"). Customer's quote should include whether installation pricing includes regular working hours, nights, weekends, multiple trips (e.g. phased project installations), and/or union support. If not explicitly noted, Installation Services may not be sufficient and additional charges may apply. Please consult the appropriate Stryker Communications Sales Representative with any questions. If additional Installation Services are required: (i) because of Customer's failure to complete its Pre-Installation Responsibilities described below in Section 2.5; (ii) because of a

Customer requests to install in a manner dissimilar to that quoted (e.g. weekends only); or (iii) if the Installation Date is rescheduled with less than eight weeks' notice prior to the Anticipated Installation Date, Stryker may, at its discretion, invoice Customer an additional $1,500 per day per installation technician.

2.4. **Stryker Responsibilities**

2.4.1. **Pre-Installation Meeting Responsibilities**: Stryker will facilitate an equipment pre-installation planning meeting to be held at Customer's site before construction begins. At, or before this meeting, Stryker will provide Customer and Customer representatives with Stryker Communications equipment pre-installation guide ("**Pre-Installation Guide**"). Additional detailed pre-installation requirements are included in the Pre-Installation Guides. All pre-installation work performed must adhere to the Pre-Installation Guide. Stryker will schedule and lead the discussions and review the Drawings (as defined in Section 2.4.2 below) with Customer's Project Manager, Clinical Department Manager and representatives from all installing contractors. Stryker will schedule and lead the discussion and review of the Pre-Installation Guide and designation of exact responsibilities of all contractors. Stryker will schedule and lead the discussion of mounting plate(s) placement, pre-install design specifications and routing requirements of all applicable services.

2.4.2. **Layout/Placement Drawings**: Stryker will provide final equipment layout/placement drawings ("**Drawings**") for review within five business days of acceptance of purchase order and Deposit payment. The Drawings will include product placement and configuration of services. Within six weeks after acceptance of Customer's purchase order and no less than 14 weeks before the scheduled Ship date, Customer must deliver to Stryker a copy of the signed Drawings, which have been approved by the Customer's Project Manager and the Clinical Department Manager (or respective designees). Customer understands Stryker will not schedule production until the signed Drawings are received by Stryker; and Stryker is not responsible for any direct or indirect costs related to resulting delays.

2.4.3. **Inspection and Evaluation Responsibilities**: Stryker will review superstructure requirement (e.g. weights and moments) with Customer's contractors and Project Manager. When requested, Stryker will provide Customer with knowledgeable third-party resources regarding superstructure. Any consulting done with said third parties will be at the Customer's expense. Stryker will review equipment installation procedures and process with Customer. Stryker will track construction schedules and make certain both Parties are adhering to originally agreed upon timelines. Stryker will provide Customer with specifications necessary to order applicable network services (obtaining and payment for these services are the Customer's responsibility).

2.4.4. **Installation Responsibilities**: Stryker is responsible for the equipment installation responsibilities as stated in the Pre-Installation Guide (these responsibilities apply only to purchased Stryker Communications equipment unless otherwise agreed upon in the project proposal).

2.5. **Customer Responsibilities**

2.5.1. **Customer Pre-Installation Meeting Responsibilities**: Customer commits to: (i) ensure representatives of Customer's contractors (e.g. electrical, mechanical, gas installer, architect, structural engineer) and Customer's Project Manager, Clinical Department Manager, and any other appropriate Customer personnel are in attendance at all meetings; (ii) provide final completion dates for completion of electrical panel test, gas performance test, and superstructure; (iii) obtain all necessary permits, inspections and/or licenses related to the proposed work; (iv) ensure that the superstructure meets the Stryker Communications requirements; (v) ensure that all Customer requirements in the Pre-Installation Guides have been addressed; and (vi) provide network access (as applicable).

2.5.2. **Customer Pre-Installation Responsibilities**: Prior to Installation Date, Customer agrees to: (i) remove all old equipment from the installation area and transport to Customer's disposal area; (ii) provide ready access to installation site(s) for Stryker Communications personnel; (iii) ensure that the installation site has been prepared in compliance with Stryker Communications specifications as detailed in the Pre-Installation Guides, (including the installation of mounting ring and other support apparatus for the equipment); (iv) ensure all conduits and gas installation provided by Customer's contractors are installed as specified in the Drawings and any applicable architectural drawings; (v) ensure equipment shipping containers (unopened) are in the installation location (including endoscopic equipment, if applicable); (vi) ensure that AC electrical circuits are installed as provided in the Pre-Installation Guides; and (vii) ensure data and other rough-in requirements specified in the Pre-Installation Guides are connected, working and complete. Customer understands and agrees to complete and send to Stryker the Install and Ship Confirmation Form at least eight weeks prior to Installation Date.

2.5.3. **Customer Installation Responsibilities**: Customer responsibilities include: (i) arrange for a locally certified electrician to complete electrical power connections to Stryker Communications equipment; (ii) arrange for a locally certified medical gas technician to test gas connections in Stryker Communications equipment; (iii) ensure that the Customer designated staff members who are responsible for product maintenance are available for instruction on basic maintenance procedures; and (iv) perform inspection and functional assessment of installed Stryker Communications equipment to agreed upon specifications and provide written notification of approval (Customer Acceptance Form) or complete a Project Punch list (nonconforming items that have no functional effect on the system) within 10 business days of completed Installation Services.

2.5.4. Stryker and Customer jointly agree to organize an inspection and valuation meeting to be held at least 30 days before Installation date. Customer is responsible for ensuring all appropriate personnel are in attendance.

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## APPENDIX 3 - PROCARE℠ SERVICES – TERMS AND CONDITIONS

The terms of this Appendix 3 will apply to Customer's purchase of Services under a Stryker Service Plan (as defined Section 1 below). In the event of a conflict or inconsistency between the Standard Terms of Sale and this Appendix 3, relative to a Service Plan, this Appendix 3 will govern.

1. **Service Plan Coverage.** Stryker will perform the repair and maintenance services (collectively, the "**Services**") more particularly described in each service plan (the "**Service Plan**") if entered into by and between Stryker and Customer. The Services will cover the capital equipment (if applicable) identified in the Service Plan (collectively, the "**Equipment**").

2. **Service Plan Terms and Conditions.** In addition to each Service Plan's coverage terms and conditions, the Services will be subject to the PROCARE℠ Services Terms and Conditions set forth below.

3. **Term and Termination.**
   - 3.1. Term. The Term of each Service Plan (the "**Term**") will continue so long as Services are being provided under a Service Plan. Notwithstanding the foregoing, Stryker may change the amounts due as noticed thirty (30) days prior to any renewal.
   - 3.2. Termination for Cause. Either Party may terminate a Service Plan upon written notice to the other Party in the event the other Party breaches the Service Plan and fails to cure the breach within thirty (30) days after receipt of written notice thereof. In the event of such termination, Customer will be entitled to receive from Stryker a refund of all amounts prepaid by Customer under a Service Plan for Services that have not yet been provided by Stryker at the time of such termination, and Stryker will be entitled to receive from Customer payment for all Services that have been provided by Stryker prior to such termination.
   - 3.3. Termination for Convenience. Either Party may terminate this Agreement at any time upon sixty (60) days prior written notice to the other. If Customer has made advance payments, Stryker will provide prorated refund to the Customer for the remaining balance of the term, and any Equipment in Stryker's possession will be promptly returned to Customer.
   - 3.4. Survival of Certain Provisions. The provisions of Term and Termination, Confidentiality, Non Solicitation and Non Hire, Limitations of Liability, Changes, and Assignment will survive the expiration or termination of this Agreement and will be binding to the respective successors, assigns, subsidiaries or affiliates of the Parties.

4. **Product Maintenance.** The Service Plan is ancillary to and not a complete substitute for the requirements of Customer to adhere to the routine maintenance instructions provided by Stryker, its equipment and operations manuals, and accompanying labels and/or inserts for each item of Equipment. Customer covenants and agrees that its appropriate user personnel will follow the instructions and contents of those manuals, labels and inserts.

5. **Warranty; Limitations of Warranty and Liability.** During the Term, Stryker warrants, with the exception of software maintenance services which, if applicable, will be as specified in the Service Plan, the following:
   - 5.1. Stryker has the experience, capability and resources to perform under the Service Plan, and Stryker further represents and warrants that the Services will be performed in a workmanlike manner and with professional diligence and skill;
   - 5.2. Services will comply with all applicable laws and regulations and all applicable standards set forth by law or ordinance or established by the rules and regulations of any federal, state or local agency, department, commission, association or pertinent governing, accrediting or advisory body, including The Joint Commission having authority to set standards for healthcare facilities;
   - 5.3. If the Services are to be performed on Customer's premises, Stryker represents and warrants that Stryker will comply with all applicable safety laws and Customer's then current safety and other applicable regulations, all human resource policies and health and drug and alcohol screening policies; provided that Customer has provided advance written notification of such rules, regulations and policies to Stryker;
   - 5.4. Stryker currently has, or prior to the commencement thereof, will obtain, pay for, and maintain any and all licenses, fees, and qualifications required to perform the Services.
   - 5.5. Stryker will maintain the Equipment in good working condition. Equipment and Equipment components repaired or replaced under this Service Plan continue to be warranted as described herein during the Term. When Equipment or component is replaced, the item provided in replacement will be the customer's property and the replaced item will be Stryker's property. If a refund is provided by Stryker, the Equipment for which the refund is provided must be returned to Stryker and will become Stryker's property.
   - 5.6. TO THE FULLEST EXTENT PERMITTED BY LAW, THE EXPRESS WARRANTIES SET FORTH HEREIN ARE THE ONLY WARRANTIES APPLICABLE TO THE SERVICES AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTY BY STRYKER, AND STRYKER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES REGARDING THE SERVICES, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. IN NO INSTANCE WILL STRYKER BE LIABLE TO CUSTOMER FOR INCIDENTAL, PUNITIVE, SPECIAL, COVER, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES OR ATTORNEYS' FEES OR COSTS.

6. **Limitations and Exclusions from Service Plan.** Customer will use commercially reasonable efforts to cooperate with Stryker in connection with Stryker's performance of the Services. Customer understands and acknowledges that Stryker ProCare employees will not provide surgical or medical advice, will not practice surgery or medicine, will not be involved in any manner which may be construed as practicing surgery or medicine, will not come in contact with the patient, will not enter the "sterile field" at any time, and will not direct equipment or instruments that come in contact with the patient during surgery. Customer's personnel will refrain from requesting

Stryker employees to take any actions in violation of these requirements or in violation of applicable laws, rules or regulations, Customer policies, or the patient's informed consent. A refusal by Stryker employees to engage in such activities will not be a breach of this Agreement. Customer consents to the presence of Stryker employees in its operating rooms, where applicable, in order for Stryker to provide Services under this Agreement and represents that it will obtain all necessary consents from patients for such presence during surgery.

Notwithstanding any other provision set forth herein, the Service Plan does not cover the following, as determined by Stryker in its sole discretion:(i) abnormal wear or damage caused by reckless or intentional misconduct, abuse, neglect or failure to perform normal and routine maintenance as set out in the applicable maintenance manual or operating instructions provided with the Equipment; (ii) accidents, catastrophe, fire, flood or act(s) of God; (iii) damage resulting from faulty maintenance, improper storage, repair, handling or use, damage and/or alteration by non-Stryker authorized personnel; (iv) service necessary due to the failure of the Customer or anyone under its control to comply with written instructions or recommendations; (v) equipment on which any original serial numbers or other identification marks have been removed or destroyed; (vi) damage caused as a result of the use of the Equipment beyond the useful life, if any, specified for such equipment in the user manual; (vii) service Stryker cannot perform because the Equipment has been discontinued or its parts have been discontinued or made obsolete; (viii) service to the Equipment if the Equipment or the Equipment site is contaminated with blood or other potentially infectious substances; or (ix) equipment that has been repaired with any unauthorized or non-Stryker components. In addition, in order to ensure safe operation of the Equipment, only Stryker accessories should be used. Stryker reserves the right to invalidate a Service Plan and any complimentary loaner programs thereunder if Equipment is used with accessories not manufactured by Stryker. If, at any time, upon inspection of the Equipment in service, Stryker deems any single unit of Equipment to be unserviceable, a record and report of such will be made, and provided to the Customer in writing on the date of service.

**7. Indemnification.**

7.1. Stryker will indemnify and defend Customer against any third party liability and/or damages ("**Claims**") that Customer may incur directly as a result of bodily injury (including death) or property damage arising solely from the gross negligence, willful misconduct or omissions of Stryker or its employees agents, or contractors in the course of providing Services. The foregoing indemnification will not apply to any Claims arising from: (i) an injury or damage due to the negligence of any person other than a Stryker employee or agent; (ii) the failure of any person other than a Stryker employee or agent to follow any instructions outlined in the labeling, manual, and/or instructions for use of the Equipment; (iii) the use of any equipment or part not purchased from Stryker; (iv) abnormal wear and tear or damage caused by misuse or by Customer's failure to perform normal and routine maintenance as set out in the maintenance manual and/or operating instructions provided with the Equipment, or as demonstrated by an authorized Stryker representative; or (v) any equipment or any part thereof that has been modified, altered or repaired by any person other than Stryker's employee or agent. Customer agrees to indemnify and defend Stryker against any Claims arising from (i) through (v) above due to the negligent acts or omissions of Customer or its officers, employees, representatives or agents.

7.2. Stryker's indemnification obligations under this Section 7 are conditioned on Customer promptly providing Stryker with (i) timely written notice of any Claim for which indemnification is sought; (ii) reasonable assistance and all available non-proprietary information reasonably required in the defense or settlement of any Claim; and (iii) sole control over the defense against any Claim and the settlement of any Claim; provided, however, that Stryker will not agree to any settlement or compromise that imposes or results in any finding of fault or any restriction or obligation on the part of Customer without Customer's prior written consent (which will not be unreasonably withheld).

**8. Confidentiality.**

8.1. Customer must remove or secure any "Protected Health Information" ("**PHI**") as defined in the Health Insurance Portability and Accountability Act of 1996 from Equipment prior to Stryker performing Services. Although Stryker will make reasonably commercial efforts to secure any PHI encountered, Stryker is not responsible for the security thereof.

8.2. All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived from or obtained during the course of the Agreement, will be treated by both Parties as confidential so as to comply with all applicable state and federal laws and regulations regarding confidentiality of patient records, and will not be released, disclosed, or published to any party other than as required or permitted under applicable laws.

**9. Non-Solicitation and Non-Hire**. Customer agrees that, during the Term and for a period of one (1) year following the termination or expiration of a Service Plan, it will not solicit any employees of Stryker to terminate their employment with Stryker, unless Stryker consents in writing. Nothing herein will prohibit Customer from hiring employees of Stryker who respond to a general employment solicitation such as a newspaper advertisement.

**10. Background Check**. Stryker warrants that all of its employees who will be on a Customer's premises to perform Services will have undergone a background check as part of Stryker's hiring practice and/or as required by Customer's vendor credentialing program. The background check consists of the following:

- Criminal background check
- National sex offender registry check
- Education verification
- Employment history
- SSN verification
- Driving record

- Government sanction/watch lists

During the Term, a Customer may request a conference with Stryker at any reasonable time regarding the performance, behavior or expectations of any Stryker service personnel who are assigned to Customer's facility. Any Stryker service personnel who willingly and knowingly violates Customer's rules, regulations, procedures, or polices may be removed from Customer's facility at Customer's option and will be replaced by Stryker promptly.

11. **Changes**. At any time during the Term, and upon each Party's written consent, additional Services or Equipment may be added or deleted from a plan. Such changes will be governed by the terms and conditions of the Service Plan. Stryker may modify the applicable Service Plan to reflect adjustments to charges attributable to plan changes.

12. **Parts and Subcontracting**. Stryker may elect to use new or used parts related to the Services in its sole discretion. Stryker reserves the right to hire subcontractors to perform the Services.

13. **Independent Contractor.** The Parties are independent contractors with respect to one another. However, to the extent Stryker, Stryker personnel or subcontractors come to Customer's property, to the extent applicable, they will follow Customer's written and posted work place policies.

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# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Service Agreement - Siddons-Martin Emergency Group for OEM parts and service on Fire Apparatus**

SUGGESTED ACTION:
Consideration and possible action to approve an annual agreement with Siddons-Martin Emergency Group in an annual amount not to exceed $150,000.00, and to authorize the City Manager to execute renewals of the agreement for two additional one-year terms under the same terms and conditions for a total three-year contract not to exceed $450,000.00 -- Scott Parker, Fleet Services Manager

ITEM SUMMARY:
We often need to outsource repairs and maintenance for our fire vehicles to ensure a quick turnaround to return the fire apparatus to active service. This contract will allow us to be locked in on hourly labor rates and allow a 10% discount on OEM (Original Equipment Manufacturer) parts for all our fire apparatus and ambulances.

FINANCIAL IMPACT:
This contract will be for an annual amount not to exceed $150,000.00 and an amount not to exceed $450,000.00 for the three-year period.

SUBMITTED BY:
Shawn Gunnin, Finance/Purchasing

ATTACHMENTS:
Siddons-Martin Emergency Group Llc PM agreement and addendum [vendor signed] (1).pdf

# SERVICES AGREEMENT

This Services Agreement (this **"Agreement"**), dated _____ (the **"Effective Date"**), is by and between Siddons Martin Emergency Group, LLC a Texas Limited Liability Company, with its principal offices located at 1362 East Richey Road, Houston, Texas 77073 (**"Service Provider"**) and Georgetown Fire Department (**"Customer"** and together with Service Provider, the **"Parties"**, and each a **"Party"**).

WHEREAS, Service Provider has the capability and capacity to provide certain maintenance and repair services; and

WHEREAS, Customer desires to exclusively retain Service Provider to provide the said services, and Service Provider is willing to perform such services under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Service Provider and Customer agree as follows:

1. Services. Service Provider shall provide to Customer the maintenance and repair services (the **"Services"**) set out in **Exhibit A**, attached hereto and incorporated herein. Customer will exclusively use Service Provider for these services for the Term of this Agreement.

2. Customer Obligations. Customer shall:

2.1. Designate one of its employees or agents to serve as its primary contact with respect to this Agreement and to act as its authorized representative with respect to matters pertaining to this Agreement (the **"Customer Contract Manager"**), with such designation to remain in force unless and until a successor Customer Contract Manager is appointed.

2.2. Require that the Customer Contract Manager respond promptly to any reasonable requests from Service Provider for instructions, information or approvals required by Service Provider to provide the Services and cooperate with Service Provider in its performance of Services.

3. Fees and Expenses.

3.1. Customer agrees that the Services performed pursuant to this Agreement will be invoiced at the rates set forth in **Exhibit A**. The rates set forth in **Exhibit A** shall remain in effect for the Term of this Agreement. Unless otherwise provided in the applicable invoice, said fees will be payable within net 30 days of receipt by the Customer of an invoice from Service Provider.

3.2. Unless Customer has provided Service Provider with a tax-exempt certification, Customer shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Customer hereunder; provided, that, in no event shall Customer pay or be responsible for any taxes imposed on, or with respect to, Service Provider's income, revenues, gross receipts, personnel or real or personal property or other assets.

3.3. In addition to all other remedies available under this Agreement or at law (which Service Provider does not waive by the exercise of any rights hereunder), Service Provider shall be entitled to suspend the provision of any Services if the Customer fails to pay any amounts when due hereunder and such failure continues for thirty (30) days following written notice thereof.

4. Limited Warranty and Limitation of Liability.

4.1. Service Provider warrants that it shall perform the Services:

(a) In accordance with the terms and subject to the conditions set out in this Agreement.

(b) Using personnel of required skill, experience and qualifications.

(c) In a timely, workmanlike and professional manner in accordance with generally recognized industry standards for similar services.

4.2. Service Provider will provide Customer with a warranty for all Services for a period of ninety (90) days from the date of sale or services rendered. If a particular manufacturer offers a warranty beyond 90 days, Service Provider will pass on the same warranty to Customer.

4.3. SERVICE PROVIDER MAKES NO WARRANTIES EXCEPT FOR THAT PROVIDED IN Sections 4.1 and 4.2 ABOVE. ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, ARE EXPRESSLY DISCLAIMED.

5. Term, Termination and Survival.

5.1. This Agreement shall commence as of the Effective Date and shall continue thereafter until the completion of the Services for a period of one (1) year (the **"Term"**), unless sooner terminated pursuant to Section 5.2 or Section 5.3. The Agreement will automatically renew for successive renewal terms of one (1) year (each a "Renewal Term"); however, in no event will the Agreement automatically renew beyond two (2) Renewal Terms unless agreed by both Parties in writing. For each Renewal Term, Service Provider may increase the rates set forth in **Exhibit A** by the greater of (i) ten percent (10%); or (ii) the percentage increase determined by the Consumer Price Index published by the Bureau of Labor Statistics of the US Federal Government for the most recent twelve (12) month period. If the Term is renewed for any Renewal Term(s) pursuant to this section, the terms and conditions of this Agreement during each such Renewal Term shall be the same as the terms and conditions in effect immediately prior to such renewal, subject to any change in rates agreed to by both Parties.

5.2. Either party may terminate this Agreement, effective upon written notice to the other party (the **"Defaulting Party"**), if the Defaulting Party:

(a) Breaches this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within 30 days after receipt of written notice of such breach.

(b) Becomes insolvent or admits its inability to pay its debts generally as they become due.

(c) Becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law.

(d) Is dissolved or liquidated or takes any corporate action for such purpose.

(e) Makes a general assignment for the benefit of creditors.

(f) Has a receiver, trustee, custodian or similar agent appointed by order of any court of competent

jurisdiction to take charge of or sell any material portion of its property or business.

(g) Gives thirty 30 days notice of termination of this agreement.

5.3. Notwithstanding anything to the contrary in Section 5.2(a), Service Provider may terminate this Agreement before the expiration date of the Term on written notice if Customer fails to pay any amount when due hereunder and such failure continues for thirty (30) days after Customer's receipt of written notice of nonpayment.

6. Limitation of Liability. IN NO EVENT SHALL SERVICE PROVIDER BE LIABLE TO CUSTOMER FOR ANY LOSS OF USE, REVENUE OR PROFIT OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. THE LIMITATIONS AND EXCLUSIONS SET FORTH IN THIS SECTION SHALL NOT APPLY TO DAMAGES OR LIABILITIES ARISING FROM PERSONAL INJURY OR DEATH OR DAMAGE TO ANY REAL OR TANGIBLE PERSONAL PROPERTY CAUSED BY SERVICE PROVIDER'S GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OR THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF THE SERVICE PROVIDER IN PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT.

7. Entire Agreement. This Agreement, including exhibits, schedules, attachments and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, regarding such subject matter.

8. Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Agreement (each, a **"Notice"**, and with the correlative meaning **"Notify"**) must be in writing and addressed to the other Party at its address set forth below (or to such other address that the receiving Party may designate from time to time in accordance with this Section). Unless otherwise agreed herein, all Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party; and (b) if the Party giving the Notice has complied with the requirements of this Section 8.

| | |
|---|---|
| Notice to Customer: | 3500 D B Wood Road<br>Georgetown, Texas 78628<br><br>Attention: Clay Shell and Scott Parker |
| Notice to Service Provider: | 1362 E Richey Road<br>Houston, Texas 77073<br><br>Attention: Legal Department |

9. Audit Rights. Service Provider will maintain complete and accurate records relating to the provision of the Services under this Agreement. During the Term, upon Customer's written request, Service Provider shall allow Customer or Customer's representative to inspect and make copies of such records in connection with the provision of the Services; provided that Customer provides Service Provider with at least five (5) business days advance written notice of the planned inspection, and any such inspection shall take place during regular business hours.

10. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction; provided, however, that if any fundamental term or provision of this Agreement is invalid, illegal or unenforceable, the remainder of this Agreement shall be unenforceable. Upon a determination that any term or provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

11. Amendments. No amendment to or modification of this Agreement is effective unless it is in writing, identified as an amendment to this Agreement and signed by an authorized representative of each Party.

12. Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

13. Assignment. Customer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Service Provider. Any purported assignment or delegation in violation of this Section 13 shall be null and void. No assignment or delegation shall relieve the Customer of any of its obligations under this Agreement.

14. Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

15. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

16. Choice of Law. This Agreement, including all exhibits, schedules, attachments and appendices attached to this Agreement, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of Texas, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Texas.

17. Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. Notwithstanding anything to the contrary in Section 8, a signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

18. Force Majeure. The Service Provider shall not be liable or responsible to Customer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Service Provider including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lock-outs, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage, provided that, if the event in question continues for a continuous period in excess of 30 days, Customer shall be entitled to give notice in writing to Service Provider to terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**GEORGETOWN FIRE DEPARTMENT**

By _____

Name: _____

Title: _____

Date: _____

**SIDDONS MARTIN EMERGENCY GROUP, LLC**

By Jonathan L. Carroll Jr.

Name: Jonathan Carroll

Title: Chief Legal Officer

Date: 5/12/2026

# Exhibit A

## Fire Apparatus/Chassis Maintenance Service Pricing

**500 Hour / 6 Month Chassis Preventative Maintenance:** **Price: $2995**
(Recommended every 500 hours or 6-months year) Includes changing engine oil, oil filter(s), fuel filter(s), air filter, crank case (element only), def filter, air dryer service (element only), transmission fluid and filters, coolant solution test and filter change, pump oil and filter, differential fluid, complete chassis lubrication. 104-point visual inspection with written report and estimates for needed repairs.

**Aerial Device Maintenance w/25 Hour Primary:** **Price: $2995**
Includes OEM primary and 25-hour inspection, cleaning and lubricating all ladder points, minor cable adjustment, if necessary, top off hydraulic fluids and perform drift test on all cylinders. Operate and inspect all ladder appliances. Replacement of hydraulic filters, if necessary, will be an additional cost and estimate provided to customer prior to completion.
**Aerial Main. w/50 Hour per OEM** **Price: $3995**
**Aerial Main. w/50 & 400 Hour per OEM** **Price: $4995**

**Wheels off Brake Inspection:** **Price: $495**
(Recommend Annually) Remove wheels/tires for complete brake system evaluations. Fee will be credited should additional brake repairs be approved while disassembled.

**A/C System Service & Maintenance:** **Price: $1095**
(Recommend Annually) Evacuate system and weigh refrigerant level. Replace OEM drier(s), clean compressor screen, clean evaporator screens, vacuum test system, recharge with refrigerant and perform system leak test. Written report provided for any additional repairs and estimates provided upon request.

**Power Steering Filter Replacement and Flush:** **Price: $795**
Drain and flush all fluids and any system contaminants. Check/Inspect all system components for leaks, bleed system, remove and replace filter and fluid.

**Pierce Quantum Air Step Maintenance:** **Price: $595**
(Recommend Annually) Includes removal and replacement of system filtration components, check compressor operation and settings, check and verify system drain operation.

**Weigh loaded truck with scales:** **Price: $300**

**TAK4 Inspection & Adjustment:** **Price: $795**
(Recommend Annually) Includes inspection on all TAK-4 components including torque verification and complete system lubrication proper ride height and adjustments required.

**T3 Rear Axle (All Steer) Maintenance:** **Price: $1995**
Includes inspection and checks on all front TAK-4 and rearTAK-3 component inspections, including torque verification and complete system lubrication.

**Annual Pump Testing:**
(Recommend Annually) Perform annual certification pump testing with written report. **Price: $495**

**Husky/CAFS Service:** **Price: $1395**
(Recommend Annually) Includes removal and replacement of all filters, drain and refill fluids. Operate and inspect all system operation upon service completion.

**Husky Foam System:** **Price: $595**
(Recommend Annually) Includes removal and replacement of all fluids and filter, remove and clean in-line foam strainer(s). Operate and inspect all system operation upon service completion.

**Hydraulic Generator Maintenance:** **Price: $795**
(Recommend Annually) Remove and replace filters and fluids, check all system operations, perform system adjustments if necessary (Mounted generators may require additional parts & labor charges)

**Annual Aerial Testing:** (Recommend Annually) Quote/Estimate Based Upon Pricing from Testing Agency

## Wildland and Brush Truck/Chassis Maintenance Service Pricing

**Light-Duty (Type 5,6,7) Chassis Preventative Maintenance:** **Price: $1195**
**Recommended every (Gas - 5,000 miles, Diesel - 7,500 miles) /250 hours, 6-months**, or when maintenance indicator shows due. (whichever occurs first). Includes changing engine oil, oil filter, fuel filter/s, air filter, cabin air filter/s, chassis lubrication, and multi-point inspection and operations test of chassis and rear pump unit.

**Medium-duty (Type 3,4) Chassis Preventative Maintenance:** **Price: $2995**
**Recommended every 500hr / 6 months** - Includes changing engine oil, oil filter(s), fuel filter(s), air filter, crank case (element only), def filter, air dryer service (element only), transmission fluid and filters, coolant filter as needed, pump oil and filter (in-frame only), differential fluid inspection, complete chassis lubrication, multi-point visual inspection, operations test of chassis and rear pump unit, with written report and estimates for needed repairs.

**Auxiliary Pump Preventative Maintenance:** **Price: $695**
**Recommended Every 150 hours or yearly**. Includes replacing engine oil, oil filter, fuel filter/s, air filter, pump oil and spark plugs (if applicable). Clean spark arrestor. Check and top off coolant fluid level, visual inspection, operations test with written report and estimate of any needed repairs.

**Wheels off Brake Inspection (Medium Duty only):** **Price: $495**
Remove wheels/tires for complete brake system evaluations. Fee will be credited should additional brake repairs be approved while disassembled.

**Annual Pump Test (for 250 GPM @ 150 PSI or higher)** **Price: $495**
Perform annual certification pump testing with written report

## Ambulance Preventative Maintenance Pricing

**7,500 mile / 250 hour / 6-month Preventative Maintenance (Minor PM): Price: $995**
(Gas – 5,000 / Diesel – 7,500 miles) Change engine oil and filter, air filter, and chassis lubrication. Perform 64-point inspection of vehicle, patient compartment, and a/c system. A written report with an estimate will be provided for additional repairs.

Note - Any other maintenance services that may be specific to chassis and/or ambulance manufacturers, including but not limited to: Crankcase breather, DEF filter, transmission, air brakes, generator, MEPS, liquid springs, a/c systems (see a/c systems maintenance), etc., are not included. Estimates will be provided upon request.

**15,000 mile / 500 hour / Annual Preventative Maintenance (Major PM): Price: $1,695**
(Gas – 10,000 / Diesel – 15,000 miles) Change engine oil and filter, air, cabin and fuel filter/s, chassis lubrication and road test. Perform 142-point inspection of vehicle, patient compartment and full a/c systems test. A written report with an estimate will be provided for additional repairs.

Note - Any other maintenance services that may be specific to chassis and/or ambulance manufacturers, including but not limited to: Crankcase breather, DEF filter, transmission, air brakes, generator, MEPS, liquid springs, a/c systems (see a/c systems maintenance, etc., are not included. Estimates will be provided upon request.

**Rear Generator 150hr / Annual Maintenance: Price: $425**
(Recommend Every 150 hours / Yearly) Change engine oil / filter, air filter, and clean spark arrestor. Perform visual inspection, and operations test. A written report with an estimate will be provided for additional repairs.

**Rear Generator 500hr / Annual Maintenance: Price: $825**
(Recommend Every 500 hours / Yearly) Change engine oil / filter and air filter, fuel filter, spark plugs, clean engine cooling fins, perform valve lash adjustment, and clean spark arrestor. Perform visual inspection, and operations test. A written report with an estimate will be provided for additional repairs.

**Wheels off Brake Inspection: Price: $525**
(Recommend Annually) Remove wheels/tires for complete brake system evaluations. Fee will be credited if brake repairs are performed while disassembled.

**A/C System Maintenance: NON-FRAZER (All systems up to 3 total) Price: $1050**
(Recommend Annually) Includes: Cab and Patient compartment 12volt and 110v shoreline systems. Perform NFPA testing for heating and cooling operations, check condenser fans, measure and record vent temperatures and pressures. Evacuate refrigerant from all systems and weigh refrigerant for proper charge levels. Perform leak test. (Refrigerant level must not be below 10% of capacity). Clean all accessible evaporator filter/s, screen/s, and condensers. Check drain lines for proper drainage. Replace all service port valves, recharge systems to proper capacity with refrigerant and oil. Perform final operations tests. A written report and estimate will be provided for any other needed services and/or repairs upon request.

**A/C System Maintenance: FRAZER TYPE (sealed rear and cab system) Price: $595**
(Recommend Annually) Includes Cab and Patient compartment system. Perform NFPA testing for heating and cooling operations, check condenser fans, measure and record vent temperatures and pressures. Evacuate refrigerant on cab system and weigh refrigerant for proper charge. Perform leak test. (Refrigerant level must not be below 10% of capacity). Clean all accessible evaporator filter/s, screen/s, and condensers. Check drain lines for proper drainage. Replace all service port valves, recharge systems to proper capacity with refrigerant and

oil. Perform final operations test. A written report and estimate will be provided for any other needed services and/or repairs upon request.

***All pricing above reflects in shop pricing only***
***Lodging will be billed for overnight stays based on average area rates***
***Prices above include parts and labor but exclude shop supplies and/or disposal fees***

**LABOR RATE**
Labor is calculated on an hourly rate per job and broken down by individual labor operations. Labor rates are the same regardless of make, model or manufacturer of apparatus. Normal business hours are 7:30 a.m. to 4:30 p.m.

| | |
|---|---|
| In-Shop Labor Rate: | $192.50 |
| Field Service Labor Rate: | $202.50 |
| After Hours Labor Rate: | $202.50 |

**TRAVEL RATE**
All work for above pricing is to be performed at a Siddons-Martin service center. Travel to and from customer location per customer request will be charged at $90.00 per hour.

**PARTS**
Parts will be charged to Customer at 10% off Service Provider list price. This cost factor remains the same regardless of origin of the part. Shipping, freight and or any expediting fees will be billed as an additional charge and indicated on invoices as such.

Service Provider strives to use our volume purchasing to reduce costs of commonly acquired parts, supplies and miscellaneous items used in the repair of apparatus. Any discounts received are used to determine the cost to be charged to the Customer.

**LOCATION(S) THAT SERVICES AND REPAIRS WILL BE PERFORMED.**
Any repairs able to be completed at the customers location will be done so upon customer request. Any repair or service that requires more space, time, or specialized equipment will be performed at the **Manor** Service Center. Additionally, we employ multiple field service technicians in the area that are available to respond to road service calls.

Note: Any heavy engine, transmission, driveline and body work must be performed in a shop.

**SCHEDULING/RESPONSE TIME**
Siddons-Martin will work with the customer to schedule each apparatus for 500-hour/6-Month and annual maintenance, including needed pump testing and ladder certification, and other repairs as required. The dates and times of such service will be agreed to by Siddons-Martin and Customer per apparatus.

If an apparatus is out of service and in need of repair, the Customer will contact the assigned account contact or the service manager for the **Manor** Service Center and a coordination of providing diagnosis, evaluation and repairs will be scheduled as soon as possible. If after normal business hours, please contact the emergency phone number.

For immediate or emergency repairs during normal circumstances, Siddons-Martin will dispatch, upon notice from the customer, a field technician to evaluate and diagnose any issues within 2 hours and a field technician

will be on-site within 4 hours from the time Siddons-Martin is notified. Field technicians are available for emergency response 24 hours a day.

Siddons-Martin will provide an estimate for repair costs within 24 hours of diagnostic and evaluation submittal.

**City of Georgetown**
**Addendum to**
**Services Agreement**

This Addendum is entered into between Siddons Martin Emergency Group, LLC ("Service Provider"), and the City of Georgetown, Texas, a Texas municipal corporation, with a place of business in Georgetown, Texas (the "Customer"), collectively referred to as "Parties". In the event of a conflict between this Addendum and the Services Agreement, this Addendum shall control. Except as expressly modified by this Addendum, all terms of the Services Agreement remain in full force and effect. This Addendum and Services Agreement, as modified hereby, constitute the Agreement between the parties (the "Agreement").

1. **Non-Appropriation**. This Agreement is a commitment of Customer's current revenues only. The Customer shall have the right to terminate this Agreement at the end of any Customer fiscal year if the governing body of the city does not appropriate funds sufficient to purchase the services. The Customer may terminate for non-appropriation by giving Service Provider a written notice of termination at the end of its then current fiscal year.

2. **Insurance.** Service Provider shall procure and maintain at its sole cost and expense for the duration of this Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Service Provider, its agents, representatives, volunteers, employees or subcontractors. The policies, limits and endorsements required are set forth in **Exhibit A** and are incorporated to the Agreement. Service Provider's insurance certificate satisfying the Customer insurance requirements are to be submitted to the Customer at the time this agreement is entered into.

3. **INDEMNIFICATION. SERVICE PROVIDER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CUSTOMER AND ITS DIRECT AND CONTROLLING AFFILIATES, AND THE CUSTOMER'S AND THEIR RESPECTIVE DIRECTORS, OFFICERS AND EMPLOYEES (INCLUDING AGENCY PERSONNEL (COLLECTIVELY, THE "CUSTOMER GROUP") FROM AND AGAINST ANY THIRD-PARTY CLAIMS, DAMAGES, LOSSES, AND REASONABLE COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT (A) ANY ACTUAL DEFECT IN PRODUCTS SUPPLIED BY SERVICE PROVIDER, OR (B) SERVICE PROVIDER'S BREACH OF EXPRESS WARRANTIES SET FORTH IN THE AGREEMENT.**

   **THIS INDEMNITY SHALL NOT APPLY TO THE EXTENT ANY CLAIM ARISES FROM (I) CUSTOMER'S OR ANY THIRD PARTY'S MODIFICATION, MISUSE, OR IMPROPER INSTALLATION OF THE PRODUCTS; (II) COMBINATION OF THE PRODUCTS WITH OTHER PRODUCTS OR EQUIPMENT NOT SUPPLIED BY SERVICE PROVIDER; OR (III) THE NEGLIGENCE OR WILLFUL**

**MISCONDUCT OF ANY MEMBER OF THE CUSTOMER GROUP. SERVICE PROVIDER SHALL HAVE NO OBLIGATION TO INDEMNIFY ANY CO-VENTURERS, CONTRACTORS, OR OTHER THIRD PARTIES OF CUSTOMER THAT ARE NOT EXPRESSLY INCLUDED IN THE CUSTOMER GROUP, NOR FOR CUSTOMER'S OR ANY THIRD PARTY'S SALE, MARKETING, OR DISTRIBUTION OF THE PRODUCTS.**

4. **Termination for Cause.** In addition to the termination rights described above, either party may terminate this Agreement effective upon written notice to the other if the other breaches any of the terms and conditions of this Agreement and fails to cure that breach within thirty (30) days after receiving written notice of the breach. In the event of an incurable breach, the non-breaching party may terminate this Agreement effective immediately upon written notice to the breaching party. In addition to all other remedies available under law and in equity, the Customer may remove Service Provider from the Customer's Contractor list in the event that this Agreement is terminated for cause and any offer submitted by Service Provider may be disqualified for up to three (3) years. If terminated prior to the delivery of products or the breach has not been cured by Service Provider, the Customer shall receive a full refund of any amount already remitted for the purposes of this contract. With respect to Services, upon any termination of this Agreement, Service Provider shall promptly cease all work and Customer shall pay Service Provider for Services properly performed and accepted prior to the effective date of termination and in accordance with the terms of this Agreement.

5. **Dispute Resolution.** If either the Service Provider or the Customer has a claim or dispute, the parties shall first attempt to resolve the matter through this dispute resolution process. The disputing party shall notify the other party in writing as soon as practicable after discovering the claim, dispute or breach. The notice shall state the nature of the dispute and list the party's specific reasons for such dispute. Within ten (10) business days of receipt of the notice, both parties shall make a good faith effort, in person or through generally accepted means, to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with, this Agreement. If the parties fail to resolve the dispute within sixty (60) days of the date of receipt of the notice of the dispute, then the parties may submit the matter to non-binding mediation upon written consent of authorized representatives of both parties. If the parties cannot resolve the dispute through mediation, then either party shall have the right to exercise any and all remedies available under law regarding the dispute. If there is a dispute between the Service Provider and the Customer respecting any service provided or to be provided hereunder by the Service Provider, the Service Provider agrees to continue providing on a timely basis all services to be provided by the Service Provider hereunder, unless this Agreement is terminated in accordance with Section 4.

6. **Service Provider Certification Regarding Boycotting Israel.** Pursuant to Chapter 2271, Texas Government Code, Service Provider certifies that it (1) does not currently boycott Israel; and (2) will not boycott Israel during the term of this Agreement. Service

Provider acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

7. **Service Provider Certification Regarding Business with Certain Countries and Organizations.** Pursuant to Subchapter F, Chapter 2252, Texas Government Code, Service Provider certifies Service Provider is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Service Provider acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

8. **Service Provider Certification Regarding Boycotting Energy Companies.** Pursuant to Chapter 2274, Texas Government Code, Service Provider certifies that either (1) Service Provider is a sole proprietorship or company with fewer than ten (10) employees or (2) Service Provider does not currently boycott energy companies and will not boycott energy companies during the Term of this Agreement. Service Provider acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

9. **Service Provider Certification Regarding Boycotting Firearm and Ammunition Industries.** Pursuant to Chapter 2274, Texas Government Code, Service Provider certifies that either (1) Service Provider is a sole proprietorship or company with fewer than ten (10) employees or (2) Service Provider does not currently boycott firearm and ammunition industries; and will not boycott firearm and ammunition industries during the Term of this Agreement. Service Provider acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

10. **Amendment.** This Agreement may only be amended by written instrument approved and executed by the parties.

11. **Governing Law and Venue**. This Agreement shall be governed by the laws of the State of Texas. Venue shall be the applicable courts of Williamson County, Texas.

| **Siddons Martin Emergency Group, LLC** | **City of Georgetown, Texas** |
|---|---|
| By: Jonathan L. Carroll Jr. | By: _____ |
| Name: Jonny Carroll | Name: _____ |
| Title: COO | Title: _____ |

**Exhibit A**

**Insurance Requirements**

I. The Service Provider agrees to maintain the types and amounts of insurance required in this Agreement throughout the term of the Agreement. The following insurance policies shall be required:

A. Commercial General Liability

B. Business Automobile Liability

C. Workers' Compensation

II. For each of these policies, the Service Provider's insurance coverage shall be primary with respect to the Customer, its officials, agents, employees and volunteers. Any insurance or self-insurance carried or obtained by the Customer, its officials, agents, employees or volunteers, shall be considered in excess of the Service Provider's insurance and shall not contribute to it. No term or provision of the indemnification provided by the Service Provider to the Customer pursuant to this Agreement shall be construed or interpreted as limiting or otherwise affecting the terms of the insurance coverage. All Certificates of Insurance and endorsements shall be furnished to the Customer's Representative at the time of execution of this Agreement, attached hereto as Exhibit D, and approved by the Customer *before* work commences.

III. General Requirements Applicable to All Policies.

A. Only licensed insurance carriers authorized to do business in the State of Texas shall be accepted.

B. Deductibles shall be listed on the certificate of insurance and are acceptable only on an "occurrence" basis.

C. "Claims made" policies are not accepted.

D. Coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) calendar days prior written notice has been given to the Customer of Georgetown.

E. The Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent. Each certificate shall contain the following provisions and warranties:

1. The insurance company is licensed and authorized to do business in the State of Texas

2. The insurance policy is underwritten on forms provided by the Texas State Board of Insurance or ISO

3. All endorsements and coverages are included according to the requirements of this Agreement

4. The form of notice of cancellation, termination, or change in coverage provisions is specified in this attachment

F. The City of Georgetown, its officials, agents, employees, and volunteers are to be listed as Additional Insureds on the Commercial General Liability and Business Automobile Liability Policies. The coverages shall contain no special limitations on the scope of protection afforded the City, its officials, employees, and volunteers.

V. **Commercial General Liability** requirements:

A. Coverage shall be written by a carrier rated "A: VIII" or better in accordance with the current A. M. Best Key Rating Guide.

B. Minimum Combined Single Limit of $1,000,000 per occurrence per project for bodily injury and property damage with a $2,000,000 annual aggregate limit.

C. Coverage shall be at least as broad as Insurance Service's Office Number CG 00 01.

D. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.

E. The coverage shall not exclude: premises/operations; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein); and where exposures exist, Explosion, Collapse and Underground coverage.

F. The Customer shall be listed as Additional Insured, and the policy shall be endorsed to waive rights of subrogation, to be primary and non-contributory with regard to any self-insurance or insurance policy held by the Customer.

VI. **Business Automobile Liability** requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current Best Key Rating Guide.

B. Minimum Combined Single Limit of $1,000,000 per occurrence for bodily injury and property damage.

C. The Business Auto Policy must show Symbol 1 in the Covered Autos portion of the liability section in Item 2 of the declarations page.

D. The coverage shall include owned, leased or rented autos, non-owned autos, any autos and hired autos.

VII. **Workers' Compensation Insurance** requirements:

A. Pursuant to the requirements set forth in Title 28, Section 110.110 of the Texas Administrative Code, *all* employees of the Service Provider, the Service Provider, *all* employees of any and all subcontractors, and all other persons providing services on the Project must be covered by a workers compensation insurance policy, either directly through their employer's policy (the Service Provider's, or subcontractor's policy) or through an executed coverage agreement on an approved DWC form. Accordingly, if a subcontractor does not have his or her own policy and a coverage agreement is used, Service Providers and subcontractors *must* use that portion of the form whereby the hiring Service Provider agrees to provide coverage to the employees of the subcontractor. The portion of the form that would otherwise allow them not to provide coverage for the employees of an independent Service Provider may not be used.

B. The workers' compensation insurance shall include the following terms:

1. Employer's Liability limits of $1,000,000 for each accident is required.

2. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.

3. Texas must appear in Item 3A of the Worker's Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Annual Renewal for Hexagon HxGN EAM Software Support**

SUGGESTED ACTION:
Consideration and possible action to approve the annual renewal for the City's HxGN EAM software support in the amount of $139,943.48 -- Greg Berglund, Assistant IT Director

ITEM SUMMARY:
This item requests approval of the annual renewal for the City's HxGN EAM software support in the amount of $139,943.48. The current renewal term expires on June 30, 2026, and renewal is required to ensure continued maintenance, support, and software updates without interruption.

HxGN EAM supports the City's asset and maintenance management operations and is used to manage work orders, maintenance activities, and related business processes. Renewing software support will allow staff to continue using the system with vendor support and access to product updates.

The renewal will be issued in accordance with the vendor's quote and the existing Software Support and Software License Agreements effective July 26, 2013, between Infor Public Sector, Inc. and the City of Georgetown.

FINANCIAL IMPACT:
This item was budgeted during the FY 2026 budget process and will be recorded in the IT Management budget under the spend category for Software Maintenance Subscriptions and Support Services.

Total Amount: $139,943.48

SUBMITTED BY:
Greg Berglund, Information Technology

ATTACHMENTS:
2026 EAM Renewal Quote 131312 [vendor signed].pdf

Quote: 0000131312

# Quote Summary Information

CITY OF GEORGETOWN,TEXAS

HEXAGON

| | |
|---|---|
| Service Site | : US00161255 |
| Site Contact | : JENNIFER MADRID |
| Contact Phone | : |
| Email Address | : Jennifer.Madrid@georgetowntexas.gov |
| Service Address | : 300 INDUSTRIAL AVENUE |
| City/State/Zip | : GEORGETOWN TX 78626 |
| Country | : US |

| | |
|---|---|
| Customer ID | : CITY OF G/GEORG US00237090 |
| Bill To Cust | : CITY OF GEORGETOWN,TEXAS |
| Bill To Address | : ATTN: ACCOUNTS PAYABLE<br>PO BOX 409<br>CITY OF GEORGETOWN |
| City/State/Zip | : GEORGETOWN TX 78627 |
| Country | : US |
| Policy Number | : SLA 7/26/2013 |
| PO Nbr | : RENEWAL QUOTE |

| | |
|---|---|
| Service Type | : **RENEWAL Q** |
| Period of Performance | : **07/01/2026 - 06/30/2027** |
| Billed on the | : 1st Day of each period |
| Period is defined as | : Every 12 Months |
| Previous Cust Code | : |
| Previous Contract # | : |

**Total Contract Value : $ 139,943.48**

**** Totals are exclusive of sales tax. This is NOT AN INVOICE.***

Offered By Hexagon ALI

By : Kelly Bergfalk

Name : Kelly Bergfalk

Email : kelly.bergfalk@hexagon.com

Address : 305 Intergraph Way
Madison, AL 35758
1.864.692.0275

Issue Date : 02/24/2026

**Quotes are valid for 90 days from original date of issue. Quote acceptance after 90 days is at the discretion of Hexagon ALI, a division of Intergraph Corporation.**

**Quote: 0000131312**

Accepted By COMPANY : _____

By : _____

Name/Title : _____

POC/Phone : _____

POC Email : _____

Date : _____

*Messages: All services provided hereunder are subject to ALI's Maintenance Service Contract Terms & Conditions (T's & C's ) for software (DDCC550F0) unless other specific Terms & Conditions apply and are referenced in the Policy Number field. Additional terms: This Agreement is a commitment of City's current revenues only. The City shall have the right to terminate this Agreement at the end of any City fiscal year if the governing body of the City does not appropriate funds sufficient to purchase maintenance. The City may terminate for non-appropriation by giving Hexagon a written notice of termination at the end of its then current fiscal year. Copies of the applicable T's & C's may be obtained online at T's & C's. * Totals are exclusive of sales tax - This is NOT AN INVOICE. For coverage code explanations, refer to the last page.*

# Quote Summary Information

CITY OF GEORGETOWN,TEXAS

HEXAGON

***Summary Of Service Quote 0000131312***

| Item Number | Description | QTY |
|---|---|---|
| EAM00016 | HxGN EAM Enterprise Edition Advanced Reporting Author NU | 3 |
| EAM00030 | HxGN EAM Enterprise Edition GIS Module DA | 1 |
| EAM00152 | HxGN EAM Enterprise Edition Advanced Reporting Consumer CU | 25 |
| EAM00196 | HxGN EAM Enterprise Edition for SQL CU | 25 |
| EAM00208 | HxGN EAM Enterprise Edition Requestor CU | 5 |
| EAM00216 | HxGN EAM Enterprise Edition Web Services Connector NU | 65 |
| EAM00356 | HxGN EAM Enterprise Edition Mobile DV | 51 |

| Period | Ext Price Summary |
|---|---|
| 7/1/2026 to 6/30/2027 | $139,943.48 |

**Grand Total :** **$ 139,943.48**

# Quote Summary Information

CITY OF GEORGETOWN,TEXAS

HEXAGON

## Service Quote Detail

| LI | Sts | Item Number | Description | Site # | Serial Number | Start Date | End Date | Coverage | Cancel Flag |
|---|---|---|---|---|---|---|---|---|---|
| 100 | | EAM00016 | HxGN EAM Enterprise Edition Advanced Reporting Author NU | US00161255 | 114033A | 07/01/2026 | 06/30/2027 | PREM | |
| 200 | | EAM00152 | HxGN EAM Enterprise Edition Advanced Reporting Consumer CU | US00161255 | 114033B | 07/01/2026 | 06/30/2027 | PREM | |
| 500 | | EAM00030 | HxGN EAM Enterprise Edition GIS Module DA | US00161255 | 114033E | 07/01/2026 | 06/30/2027 | PREM | |
| 600 | | EAM00356 | HxGN EAM Enterprise Edition Mobile DV | US00161255 | 114033F | 07/01/2026 | 06/30/2027 | PREM | |
| 700 | | EAM00208 | HxGN EAM Enterprise Edition Requestor CU | US00161255 | 114033G | 07/01/2026 | 06/30/2027 | PREM | |
| 800 | | EAM00196 | HxGN EAM Enterprise Edition for SQL CU | US00161255 | 114033H | 07/01/2026 | 06/30/2027 | PREM | |
| 900 | | EAM00216 | HxGN EAM Enterprise Edition Web Services Connector NU | US00161255 | 114033I | 07/01/2026 | 06/30/2027 | PREM | |

**Quote Summary Information**

CITY OF GEORGETOWN,TEXAS

***Quote Line Notes:***

***Coverage Code Definitions:***

**PREM: Premium Service.** A monthly maintenance charge. Includes telephone support, bulletin board support and upgrades when made available by Hexagon ALI or a Third Party Software Vendor.

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**IT Lease Agreements for Servers and Network Equipment through Dell Financial Services**

SUGGESTED ACTION:
Consideration and possible action to approve the lease agreements of servers and network equipment from Dell Financial Services, LLC; via re-seller Waypoint Business Solutions, LLC at an annual cost of $564,259.46 and a five (5) year grand total of $2,821,297.30 -- Chris Bryce, IT Director, and James Davis, Operations Manager

ITEM SUMMARY:
This item is the first purchase aimed at implementing the City of Georgetown's datacenter modernization strategy. This strategy was presented to the City Council's Finance committee last Summer. The strategy's primary goal is to increase the resiliency of the City's mission critical IT infrastructure by moving the City's datacenter into a new, hardened facility at the planned Customer Service Center and implementing portions of the datacenter at the University of Texas at Austin's shared services datacenter.

The first round of purchases includes two groups of equipment: **1) Servers to accommodate the Electric Department's new SCADA utility control software**; and, **2) Servers, network switches, and network firewalls to begin implementation of the datacenter at UT**. Additional servers and related equipment will be purchased in fiscal years 2027 and 2028 to complete buildout of the datacenter strategy.

More specifically, the purchase includes the following:
- Ten (10) Dell host servers (7 for SCADA software, 3 for UT datacenter)
- 3 Cisco network management switches for UT datacenter
- 2 Palo Alto firewalls for UT datacenter

All equipment is being leased. The annual payment on the lease will be $564,259.46 for five years for a grand total of $2,821,297.30. The lease is being made in accordance with pricing and terms set by three purchasing cooperatives with which the City partners: Texas Department of Information Resources contract DIR-CPO-5792 (servers), TIPS USA contract TIPS-230105 (network equipment), and Omnia Partners contract Omnia-01-143 (firewalls).

The purchase includes 24/7 support for the equipment, as is customary on all mission critical datacenter equipment.

All equipment is being leased through Dell Financial Services (DFS), through equipment re-seller Waypoint Business Solutions (Waypoint). Dell is financing the equipment; Waypoint is selling the equipment. The annual interest rate on the lease is approximately 0.7%, which equates to approximate 3.7% in interest over five (5) years.

The extremely low interest leasing option was selected to spread costs over multiple years and

prevent large cost impacts in any one year without incurring large finance rates. The lease includes the ability to purchase the servers outright at the end of the lease - at fair market value.

FINANCIAL IMPACT:
All purchases were budgeted in the Fiscal Year 2026 mid year budget amendment to cover costs of the datacenter modernization strategy after the new Customer Service Center was approved. Funds in the amount of the first year payment, $564,259.46, are in IT Infrastructure - Computer Equipment account. Five year costs for this round of purchases will total $2,821,297.30.

SUBMITTED BY:
Chris Bryce, Information Technology

ATTACHMENTS:
DellLease2_SecretaryClerkCertificate.pdf
DellLease3_MasterLeaseAgreement.pdf
DellLease4a_LeaseScheduleForDellServers.pdf
DellLease4b_LeaseScheduleForDellServers_ExhibitA.pdf
DellLease4c_LeaseProposalForDellServers.pdf
DellLease5a_LeaseScheduleForCiscoSwitches.pdf
DellLease5b_LeaseProposalForCiscoSwitches.pdf
DellLease6a_PaymentAgreementForPaloAltoFirewalls.pdf
DellLease6b_LeaseProposalForPaloAltoFirewalls.pdf

## Secretary/Clerk Certificate Instructions

1. In the blocks under paragraph (ii) with the headings “NAME OF AUTHORIZED SIGNATORY”, “TITLE OF AUTHORIZED SIGNATORY” and “SIGNATURE OF AUTHORIZED SIGNATORY”, all persons who are authorized to execute and deliver the Agreement and any related Lease Schedule(s) from time to time thereunder between the Public Entity and Dell Financial Services L.L.C. should write or type his/her name under the “Name of Authorized Signatory” heading, write or type his/her title under the “Title of Authorized Signatory” heading, and sign his/her name under the “Signature of Authorized Signatory” heading in the block across from his/her name and title. **The person(s) listed and executing in the blocks under paragraph (ii) must not be the same person executing the Certificate on behalf of the Public Entity (Clerk, Secretary, etc.) listed at the top of the Certificate and executing in the signature block at the bottom of the Certificate under the “In Witness Whereof” language;**

2. The Clerk, Secretary, etc. should insert the Agreement No. in paragraph (iii), if known;

3. The Clerk, Secretary, etc. should strike paragraph (v) of the Certificate if this paragraph is not applicable to the Public Entity;

4. If paragraph (v) of the Certificate is applicable to the Public Entity, the Clerk, Secretary, etc. should insert “regular” or “special” in the first blank and then insert the date of the meeting of the governing body of the Public Entity in the second blank;

5. The Clerk, Secretary, etc. should write or type the Fiscal Period of the Public Entity in paragraph (ix);

6. The Clerk, Secretary, etc. should write or type his/her name, title, name and State of the Public Entity in the top portion of the Certificate and date, sign & print his/her name and title at the bottom of the Certificate under the “In Witness Whereof” language; and

7. The Certificate should be notarized by a notary public. The notary public should be a person other than the Clerk, Secretary, etc. executing under the “In Witness Whereof” language of the Certificate.

**SECRETARY/CLERK CERTIFICATE**

I, _____, do hereby certify that:

(i) I am the duly elected, qualified, and acting _____ (Clerk, Secretary, etc.) of CITY OF GEORGETOWN, TEXAS, a TX public entity (the "Public Entity").

(ii) Each of the persons whose name, title and signature appear below is a duly authorized representative of the Public Entity and holds on the date of this Certificate the formal title set forth opposite his/her name and the signature appearing opposite each such person's name is his/her genuine signature:

| NAME OF AUTHORIZED SIGNATORY (cannot be Clerk/Secretary authenticating this certificate) | TITLE OF AUTHORIZED SIGNATORY | SIGNATURE OF AUTHORIZED SIGNATORY |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

(iii) Each such representative is duly authorized for and on behalf of the Public Entity to execute and deliver that certain Master Lease Agreement No. 632317-104775 (the "Agreement") and any related Lease Schedules from time to time thereunder (the "Schedules") between the Public Entity and Dell Financial Services L.L.C., or its assignee (collectively, "Lessor"), and all agreements, documents, and instruments in connection therewith, including without limitation, schedules, riders and certificates of acceptance.

(iv) The execution and delivery of any such Agreement and/or Schedule and all agreements, documents, and instruments in connection therewith for and on behalf of the Public Entity are not prohibited by or in any manner restricted by the terms of the Charter or other document pursuant to which the Public Entity is organized or of any loan agreement, indenture or contract to which the Public Entity is a party or by which it or any of its property is bound.

(v) [STRIKE IF NOT APPLICABLE] The Public Entity did, at a duly called _____ (regular or special) meeting of the governing body of the Public Entity attended throughout by the requisite majority of the members thereof held on the _____ day of _____ by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the Agreement, the related Schedule(s) and all agreements, documents, and instruments in connection therewith on behalf of the Public Entity by the authorized representative(s) of the Public Entity named in paragraph (ii) above. Such action approving the Agreement, the related Schedule(s) and all agreements, documents, and instruments in connection therewith and authorizing the execution thereof has not been altered or rescinded by the Public Entity.

(vi) No event or condition that constitutes (or with notice or lapse of time or both, would constitute) an Event of Default, as defined in the Agreement, exists at the date hereof.

(vii) All insurance required in accordance with the Agreement is currently maintained by the Public Entity.

(viii) The Public Entity has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rent payments scheduled to come due during the first Fiscal Period and to meet the Pubilc Entity's other obligations for the first Fiscal Period, as such terms are defined in the Agreement, and such funds have not been expended for other purposes.

(ix) The Fiscal Period of the Public Entity is from _____ to _____.

(x) The foregoing authority and information shall remain true and in full force and effect, and Lessor shall be entitled to rely upon same, until written notice of the modification, rescission, or revocation of same in whole or in part, has been delivered to Lessor, but in any event shall be effective with respect to any documents executed or actions taken in reliance upon the foregoing authority prior to the delivery to Lessor of said written notice of said modification, rescission or revocation.

IN WITNESS WHEREOF:

By: _____

Name: _____

Title: _____
(Clerk or Secretary)

Date: _____

---

Subscribed to and sworn before me:

Notary Public: _____
(Name)

Date: _____

My commission expires: _____

# Dell Financial Services

DELL Technologies

EFFECTIVE DATE: May 15, 2026
MASTER LEASE AGREEMENT NO. 632317-104775

| LESSOR: Dell Financial Services L.L.C. | LESSEE: CITY OF GEORGETOWN, TEXAS |
|---|---|
| Mailing Address:<br>ONE DELL WAY<br>Round Rock, TX 78682 | Principal Address:<br>PO BOX 409<br>GEORGETOWN, TX 78627 |

This Master Lease Agreement ("Agreement"), effective as of the Effective Date set forth above, is between the Lessor and Lessee named above. Capitalized terms have the meaning set forth in this Agreement.

**1. LEASE.**

Lessor hereby leases to Lessee and Lessee hereby leases the equipment ("Products"), Software (defined below), and services or fees, where applicable, as described in any lease schedule ("Schedule"). Each Schedule shall incorporate by reference the terms and conditions of this Agreement and contain such other terms as are agreed to by Lessee and Lessor. Each Schedule shall constitute a separate lease of Products ("Lease"). In the event of any conflict between the terms of a Schedule and the terms of this Agreement, the terms of the Schedule shall prevail. Lessor reserves all rights to the Products not specifically granted to Lessee in this Agreement or in a Schedule. Execution of this Agreement does not create an obligation of either party to lease to or from the other.

**2. ACCEPTANCE DATE; SCHEDULE.**

(a) Subject to any right of return provided by the Product seller ("Seller"), named on the Schedule, Products are deemed to have been irrevocably accepted by Lessee upon delivery to Lessee's ship to location ("Acceptance Date"). Lessee shall be solely responsible for unpacking, inspecting and installing the Products.

(b) Lessor shall deliver to Lessee a Schedule for Products. Lessee agrees to sign or otherwise authenticate (as defined under the Uniform Commercial Code, "UCC") and return each Schedule by the later of the Acceptance Date or five (5) days after Lessee receives a Schedule from Lessor. If the Schedule is not signed or otherwise authenticated by Lessee within the time provided in the prior sentence, then upon written notice from Lessor and Lessee's failure to cure within five (5) days of such notice, Lessor may require the Lessee to purchase the Products by paying the Product Cost charged by the Seller, plus any shipping charges, Taxes or Duties (defined below) and interest at the Overdue Rate accruing from the date the Products are shipped through the date of payment. If Lessee returns any leased Products in accordance with the Seller's return policy, it will notify Lessor. When Lessor receives a credit from the Seller for the returned Product, the Schedule will be deemed amended to reflect the return of the Product and Lessor will adjust its billing records and Lessee's invoice for the applicable Lease. In addition, Lessee and Lessor agree that a signed Schedule may be amended by written notice from Lessor to Lessee provided such notice is (i) to correct the serial (or service tag) number of Products or (ii) to adjust the related Rent (defined below) on the Schedule (any increase up to 15% or any decrease) caused by any change made by Lessee in Lessee's order with the Seller.

**3. TERM.**

The initial term (the "Primary Term") for each Lease shall begin on the date set forth on the Schedule as the Commencement Date (the "Commencement Date"). The period beginning on the Acceptance Date and ending on the last day of the Primary Term, together with any renewals or extensions thereof, is defined as the "Lease Term". The Lease is noncancelable by Lessee, except as expressly provided in Section 5.

**4. RENT; TAXES; PAYMENT OBLIGATION.**

(a) The rental payment amount ("Rent") and the payment period for each installment of Rent ("Payment Period") shall be stated in the Schedule. A prorated portion of Rent calculated based on a 30-day month, 90-day quarter or 360-day year (as appropriate) for the period from the Acceptance Date to the Commencement Date shall be added to the first payment of Rent. All Rent and other amounts due and payable under this Agreement or any Schedule shall be paid to Lessor in lawful funds of the United States of America at the payment address for Lessor set forth above or at such other address as Lessor may designate in writing from time to time. Whenever Rent and other amounts payable under a Lease are not paid when due, Lessee shall pay interest on such amounts at a rate equal to the lesser of 1% per month or the highest such rate permitted by applicable law ("Overdue Rate"). Rent shall be due and payable whether or not Lessee has received an invoice showing such Rent is due. Late charges and reasonable attorney's fees necessary to recover Rent and other amounts owed hereunder are considered an integral part of this Agreement. The rate factors used for the calculation of the payment are based in part on similar or like term swap or T-bill rates as published by the US Federal Reserve Board. In the event the applicable rates change between Lessor initially providing the rate factors and the commencement of a Schedule, Lessor reserves the right to change the applicable rate factor commensurate with the change in the applicable rates.

(b) EACH LEASE SHALL BE A NET LEASE. In addition to Rent, Lessee shall pay sales, use, excise, purchase, property, added value or other taxes, fees, levies or assessments lawfully assessed or levied against Lessor or with respect to the Products and the Lease (collectively "Taxes"), and customs, duties or surcharges on imports or exports (collectively, "Duties"), plus all expenses incurred in connection with Lessor's purchase and Lessee's use of the Products, including but not limited to shipment, delivery, installation, and insurance. Unless Lessee provides Lessor with a tax exemption certificate acceptable to the relevant taxing authority prior to Lessor's payment of such Taxes, Lessee shall pay to Lessor all Taxes and Duties upon demand by Lessor. Lessor may, at its option, invoice Lessee for estimated personal property tax with the Rent Payment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Products.

(c) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5, LESSEE'S OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE AND TO OTHERWISE PERFORM AS REQUIRED UNDER THIS AGREEMENT AND EACH SCHEDULE SHALL BE ABSOLUTE AND UNCONDITIONAL, AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM, INTERRUPTION, DEFERMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER WHETHER ARISING OUT OF ANY CLAIMS BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNS, THE SELLER, OR THE SUPPLIER OR MANUFACTURER OF THE PRODUCTS, TOTAL OR PARTIAL LOSS OF THE PRODUCTS OR THEIR USE OR POSSESSION, OR OTHERWISE. If any Product is unsatisfactory for any

reason, Lessee shall make its claim solely against the Seller of such Product (or the Licensor in the case of Software, as defined below) and shall nevertheless pay Lessor or its assignee all amounts due and payable under the Lease.

**5. APPROPRIATION OF FUNDS.**

(a) Lessee intends to continue each Schedule for the Primary Term and to pay the Rent and other amounts due thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rent during the Primary Term can be obtained and agrees to do all things lawfully within its power to obtain and maintain funds from which the Rent and other amounts due may be paid.

(b) Lessee may terminate a Schedule in whole, but not in part by giving at least sixty (60) days notice prior to the end of the then current Fiscal Period (as defined in the Lessee's Secretary/Clerk's Certificate provided to Lessor) certifying that: (1) sufficient funds were not appropriated and budgeted by Lessee's governing body or will not otherwise be available to continue the Lease beyond the current Fiscal Period; and (2) that the Lessee has exhausted all funds legally available for payment of the Rent beyond the current Fiscal Period. Upon termination of the Schedule, Lessee's obligations under the Schedule (except those that expressly survive the end of the Lease Term) and any interest in the Products shall cease and Lessee shall surrender the Products in accordance with Section 8. Notwithstanding the foregoing, Lessee agrees that, without creating a pledge, lien or encumbrance upon funds available to Lessee in other than its current Fiscal Period, it will use its best efforts to take all action necessary to avoid termination of a Schedule, including making budget requests for each Fiscal Period during each applicable Lease Term for adequate funds to meet its Lease obligations and to continue the Schedule in force.

(c) Lessor and Lessee intend that the obligation of Lessee to pay Rent and other amounts due under a Lease constitutes a current expense of Lessee and is not to be construed to be a debt in contravention of any applicable constitutional or statutory limitation on the creation of indebtedness or as a pledge of funds beyond Lessee's current Fiscal Period.

**6. LICENSED MATERIALS**.

Software means any operating system software or computer programs included with the Products (collectively, "Software"). "Licensed Materials" are any manuals and documents, end user license agreements, evidence of licenses, including, without limitation, any certificate of authenticity and other media provided in connection with such Software, all as delivered with or affixed as a label to the Products. Lessee agrees that this Agreement and any Lease (including the sale of any Product pursuant to any purchase option) does not grant any title or interest in Software or Licensed Materials. Any use of the terms "sell," "purchase," "license," "lease," and the like in this Agreement or any Schedule with respect to Software shall be interpreted in accordance with this Section 6.

**7. USE; LOCATION; INSPECTION.**

Lessee shall: (a) comply with all terms and conditions of any Licensed Materials; and (b) possess and operate the Products only (i) in accordance with the Seller's supply contract and any service provider's maintenance and operating manuals, the documentation and applicable laws; and (ii) for the business purposes of Lessee. Lessee agrees not to move Products from the location specified in the Schedule without providing Lessor with at least 30 days prior written notice, and then only to a location within the continental United States and at Lessee's expense. Without notice to Lessor, Lessee may temporarily use laptop computers at other locations, including outside the United States, provided Lessee complies with the United States Export Control Administration Act of 1979 and the Export Administration Act of 1985, as those Acts are amended from time to time (or any successor or similar legislation). Provided Lessor complies with Lessee's reasonable security requirements, Lessee shall allow Lessor to inspect the premises where the Products are located from time to time during reasonable hours after reasonable notice in order to confirm Lessee's compliance with its obligations under this Agreement.

**8. RETURN**.

At the expiration or earlier termination of the Lease Term of any Schedule, and except for Products purchased pursuant to any purchase option under the Lease, Lessee will (a) remove all proprietary data from the Products and (b) return them to Lessor at a place within the contiguous United States designated by Lessor. Upon return of the Products, Lessee`s right to the operating system Software in returned Products will terminate and Lessee will return the Products with the original certificate of authenticity (attached and unaltered) for the original operating system Software. Lessee agrees to deinstall and package the Products for return in a manner which will protect them from damage. Lessee shall pay all costs associated with the packing and return of the Products and shall promptly reimburse Lessor for all costs and expenses for missing or damaged Products or operating system Software. If Lessee fails to return all of the Products at the expiration of the Lease Term or earlier termination (other than for non-appropriation) in accordance with this Section, the Lease Term with respect to the Products that are not returned shall continue to be renewed as described in the Schedule.

**9. RISK OF LOSS; MAINTENANCE; INSURANCE.**

(a) From the date the Products are delivered to Lessee's ship to location until the Products are returned to Lessor's designated return location or purchased by Lessee, Lessee agrees: (i) to assume the risk of loss or damage to the Products; (ii) to maintain the Products in good operating condition and appearance, ordinary wear and tear excepted; (iii) to comply with all requirements necessary to enforce all warranty rights; and (iv) to promptly repair any repairable damage to the Products. During the Lease Term, Lessee at its sole discretion has the option to purchase a maintenance agreement from the provider of its choice (including, if it so chooses, to self-maintain the Products) or to forgo such maintenance agreement altogether; regardless of Lessee's choice, Lessee will continue to be responsible for its obligations as stated in the first sentence of this Section. At all times, Lessee shall provide the following insurance: (x) casualty loss insurance for the Products for no less than the Stipulated Loss Value (defined below) naming Lessor as loss payee; and (y) liability insurance with respect to the Products for no less than an amount as required by Lessor, with Lessor named as an additional insured; and (z) such other insurance as may be required by law which names Lessee as an insured and Lessor as an additional insured. Upon Lessor's prior written consent, Lessee may provide this insurance pursuant to Lessee's existing self insurance policy or as provided for under state law. Lessee shall provide Lessor with either an annual certificate of third party insurance or a written description of its self insurance policy or relevant law, as applicable. The certificate of insurance will provide that Lessor shall receive at least ten (10) days prior written notice of any material change to or cancellation of the insurance policy or Lessee's self-insurance program, if previously approved by Lessor. If Lessee does not give Lessor evidence of insurance in accordance with the standards herein, Lessor has the right, but not the obligation, to obtain such insurance covering Lessor's interest in the Products for the Lease Term, including renewals. If Lessor obtains such insurance, Lessor will add a monthly, quarterly or annual charge (as appropriate) to the Rent to reimburse Lessor for the insurance premium and Lessor's then current insurance administrative fee.

(b) If the Products are lost, stolen, destroyed, damaged beyond repair or in the event of any condemnation, confiscation, seizure or expropriation of such Products ("Casualty Products"), Lessee shall promptly (i) notify Lessor of the same and (ii) pay to Lessor the Stipulated Loss Value for the Casualty Products. The Stipulated Loss Value is an amount equal to the sum of (a) all Rent and other amounts then due and owing (including interest at the Overdue Rate from the due date until payment is received) under the Lease, plus (b) the present value of all future Rent to become due under the Lease during the remainder of the Lease Term, plus (c) the present value of the estimated in place Fair Market Value of the Product at the end of the Primary Term as determined by Lessor; plus (d) all other amounts to become due and owing during the remaining Lease Term. Unless priced as a tax-exempt Schedule, each of (b) and (c) shall be calculated using the federal funds rate target reported in the Wall Street Journal on the Commencement Date of the applicable Schedule. The discount rate applicable to tax-exempt Schedules shall be federal funds rate target reported in the Wall Street Journal on the Commencement Date of the applicable Schedule less 100 basis points.

**10. ALTERATIONS**.

Lessee shall, at its expense, make such alterations to Products during the Lease Term as are legally required or provided at no charge by Seller. Lessee may make other alterations, additions or improvements to Products provided that any alteration, addition or improvement shall be readily removable and shall not materially impair the value or utility of the Products. Upon the return of any Product to Lessor, any alteration, addition or improvement that is not removed by Lessee shall become the property of Lessor free and clear of all liens and encumbrances.

**11. REPRESENTATIONS AND WARRANTIES OF LESSEE**.

Lessee represents, warrants and covenants to Lessor and will provide to Lessor at Lessor's request all documents deemed necessary or appropriate by Lessor, including Certificates of Insurance, financial statements, Secretary or Clerk Certificates, essential use information or documents (such as affidavits, notices and similar instruments in a form satisfactory to Lessor) and Opinions of Counsel (in substantially such form as provided to Lessee by Lessor and otherwise satisfactory to Lessor) to the effect that, as of the time Lessee enters into this Agreement and each Schedule that:

(a) Lessee is an entity duly organized and existing under and by virtue of the authorizing statute or constitutional provisions of its state and is a state or political subdivision thereof as described in Section 103(a) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder as in effect and applicable to the Agreement or any Schedule, with full power and authority to enter into this Agreement and any Schedules and perform all of its obligations under the Leases;

(b) This Agreement and each Schedule have been duly authorized, authenticated and delivered by Lessee by proper action of its governing board at a regularly convened meeting and attended by the requisite majority of board members, or by other appropriate official authentication, as applicable, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement against Lessee;

(c) This Agreement and each Schedule constitute the valid, legal and binding obligations of Lessee, enforceable in accordance with their terms;

(d) No other approval, consent or withholding of objection is required from any federal, state or local governmental authority or instrumentality with respect to the entering into or performance by Lessee of the Agreement or any Schedule and the transactions contemplated thereby;

(e) Lessee has complied with such public bidding requirements and other state and federal laws as may be applicable to the Agreement and any Schedule and the acquisition by Lessee of the Products;

(f) The entering into and performance of the Agreement or any Schedule will not (i) violate any judgment, order, law or regulation applicable to Lessee; (ii) result in any breach of, or constitute a default under, any instrument to which the Lessee is a party or by which it or its assets may be bound; or (iii) result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or on the Products, other than those created pursuant to this Agreement;

(g) There are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best of Lessee's knowledge and belief is there any basis therefor, which if determined adversely to Lessee will have a material adverse effect on the ability of Lessee to fulfill its obligations under the Agreement or any Schedule;

(h) The Products are essential to the proper, efficient and economic operation of Lessee or to the services which Lessee provides to its citizens. Lessee expects to make immediate use of the Products, for which it has an immediate need that is neither temporary nor expected to diminish during the applicable Lease Term. The Products will be used for the sole purpose of performing one or more of Lessee's governmental or proprietary functions consistent within the permissible scope of Lessee's authority; and

(i) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds to make all Rent payments and other obligations under this Agreement and any Schedule during the current Fiscal Period, and such funds have not been expended for other purposes.

**12. WARRANTY ASSIGNMENT; EXCLUSION OF WARRANTIES; LIMITATION OF LIABILITY; FINANCE LEASE**.

(a) Provided no Event of Default has occurred and is continuing, Lessor assigns to Lessee for the Lease Term the benefit of any Product warranty and any right of return provided by any Seller.

(b) LESSEE ACKNOWLEDGES THAT LESSOR DID NOT SELECT, MANUFACTURE, SUPPLY OR LICENSE ANY PRODUCT AND THAT LESSEE HAS MADE THE SELECTION OF PRODUCTS BASED UPON ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS ANY RELIANCE ON STATEMENTS MADE BY LESSOR OR ITS AGENTS. LESSOR LEASES THE PRODUCTS AS-IS AND MAKES NO WARRANTY, EXPRESS, IMPLIED, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF DESIGN, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR OR ITS ASSIGNEE FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY OR WITH RESPECT TO ANY PRODUCTS.

(c) IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY ACTUAL, SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY SCHEDULE OR THE SALE, LEASE OR USE OF ANY PRODUCTS EVEN IF LESSOR IS ADVISED IN ADVANCE OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES AND EVEN IF LESSEE ASSERTS OR ESTABLISHES A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THIS AGREEMENT.

(d) Lessee agrees that it is the intent of both parties that each lease qualify as a statutory finance lease under Article 2A of the UCC. Lessee acknowledges either (i) that Lessee has reviewed and approved any written supply contract covering the Products purchased from the Seller for lease to Lessee or (ii) that Lessor has informed or advised Lessee, in writing, either previously or by this Agreement, that Lessee may have rights under the supply contract evidencing the purchase of the Products and that Lessee should contact the Seller for a description of any such rights. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC.

**13. EVENTS OF DEFAULT**.

It shall be an event of default hereunder and under any Schedule ("Event of Default") if:

(a) Lessee fails to pay any Rent or other amounts payable under this Agreement or any Schedule within 15 days after the date that such payment is due;

(b) Any representation or warranty made by Lessee to Lessor in connection with this Agreement, any Schedule or any other Document is at the time made materially untrue or incorrect;

(c) Lessee fails to comply with any other obligation or provision of this Agreement or any Schedule and such failure shall have continued for 30 days after notice from Lessor;

(d) Lessee (i) is generally not paying its debts as they become due or (ii) takes action for the purpose of invoking the protection of any bankruptcy or insolvency law, or any such law is invoked against or with respect to Lessee or its property and such petition is not dismissed within 60 days; or

(e) Any provision of this Agreement ceases to be valid and binding on Lessee, is declared null and void, or its validity or enforceability is contested by Lessee or any governmental agency or authority whereby the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee denies any further liability or obligation under this Agreement; or

(f) Lessee is in default under any other lease, contract, or obligation now existing or hereafter entered into with Lessor or Seller or any assignee of Lessor.

**14. REMEDIES; TERMINATION**

(a) Upon an Event of Default under any Schedule all of Lessee's rights (including its rights to the Products), but not its obligations thereunder, shall automatically be cancelled without notice and Lessor may exercise one or more of the following remedies in its sole discretion:

(i) require Lessee to return any and all such Products in accordance with Section 8, or if requested by Lessor, to assemble the Products in a single location designated by Lessor and to grant Lessor the right to enter the premises where such Products are located (regardless of where assembled) for the purpose of repossession;

(ii) sell, lease or otherwise dispose of any or all Products (as agent and attorney-in-fact for Lessee to the extent necessary) upon such terms and in such manner (at public or private sale) as Lessor deems advisable in its sole discretion (a "Disposition");

(iii) declare immediately due and payable as a pre-estimate of liquidated damages for loss of bargain and not as a penalty, the Stipulated Loss Value of the Products in lieu of any further Rent, in which event Lessee shall pay such amount to Lessor within 10 days after the date of Lessor's demand; or

(iv) proceed by appropriate court action either at law or in equity (including an action for specific performance) to enforce performance by Lessee or recover damages associated with such Event of Default or exercise any other remedy available to Lessor in law or in equity.

(b) Lessee shall pay all costs and expenses arising or incurred by Lessor, including reasonable attorney fees, in connection with or related to an Event of Default or the repossession, transportation, re-furbishing, storage and Disposition of any or all Products ("Default Expenses"). In the event Lessor recovers proceeds (net of Default Expenses) from its Disposition of the Products, Lessor shall credit such proceeds against the owed Stipulated Loss Value. Lessee shall remain liable to Lessor for any deficiency. With respect to this Section, to the extent the proceeds of the Disposition (net of Default Expenses) exceed the Stipulated Loss Value owed under the Lease, or Lessee has paid Lessor the Stipulated Loss Value, the Default Expenses and all other amounts owing under the Lease, Lessee shall be entitled to such excess and shall have no further obligations with respect to such Lease. All rights of Lessor are cumulative and not alternative and may be exercised by Lessor separately or together.

**15. QUIET ENJOYMENT.**

Lessor shall not interfere with Lessee's right to possession and quiet enjoyment of Products during the relevant Lease Term, provided no Event of Default has occurred and is continuing. Lessor represents and warrants that as of the Commencement Date of the applicable Schedule, Lessor has the right to lease the Products to Lessee.

**16. INDEMNIFICATION**.

To the extent permitted by law, Lessee shall indemnify, defend and hold Lessor, its assignees, and their respective officers, directors, employees, representatives and agents harmless from and against, all claims, liabilities, costs or expenses, including legal fees and expenses (collectively, "Claims"), arising from or incurred in connection with this Agreement, any Schedule, or the selection, manufacture, possession, ownership, use, condition, or return of any Products (including Claims for personal injury or death or damage to property, and to the extent Lessee is responsible, Claims related to the subsequent use or Disposition of the Products or any data in or alteration of the Products. This indemnity shall not extend to any loss caused solely by the gross negligence or willful misconduct of Lessor. Lessee shall be responsible for the defense and resolution of such Claim at its expense and shall pay any amount for resolution and all costs and damages awarded against or incurred by Lessor or any other person indemnified hereunder; provided, however, that any person indemnified hereunder shall have the right to participate in the defense of such Claim with counsel of its choice and at its expense and to approve any such resolution. Lessee shall keep Lessor informed at all times as to the status of the Claim.

**17. OWNERSHIP; LIENS AND ENCUMBRANCES; LABELS.**

As between Lessor and Lessee, title to Products (other than any Licensed Materials) is and shall remain with Lessor. Products are considered personal property and Lessee shall, at Lessee's expense, keep Products free and clear of liens and encumbrances of any kind (except those arising through the acts of Lessor) and shall immediately notify Lessor if Lessor's interest is subject to compromise. Lessee shall not remove, cover, or alter plates, labels, or other markings placed upon Products by Lessor, Seller or any other supplier.

**18. NON PERFORMANCE BY LESSEE**.

If Lessee fails to perform any of its obligations hereunder or under any Schedule, Lessor shall have the right but not the obligation to effect such performance and Lessee shall promptly reimburse Lessor for all out of pocket and other reasonable expenses incurred in connection with such performance, with interest at the Overdue Rate.

**19. NOTICES**.

All notices shall be given in writing and, except for billings and communications in the ordinary course of business, shall be delivered by overnight courier service, delivered personally or sent by certified mail, return receipt requested, and shall be effective from the date of receipt unless mailed, in which case the effective date will be four (4) Business Days after the date of mailing. Notices to Lessor by Lessee shall be sent to: Dell Financial Services L.L.C., Attn. Legal Department, One Dell Way, Round Rock, TX 78682, or such other mailing address designated in writing by Lessor. Notice to Lessee shall be to the address on the first page of this Agreement or such other mailing address designated in writing by Lessee.

**20. ASSIGNMENT.**

(a) LESSEE MAY ASSIGN THIS AGREEMENT OR ANY SCHEDULE, OR SUBLEASE ANY PRODUCT(S) WITH THE PRIOR WRITTEN CONSENT OF LESSOR (SUCH CONSENT NOT TO BE UNREASONABLY WITHHELD). LESSOR, AT ITS SOLE DISCRETION, MAY ASSESS AN ADMINISTRATIVE FEE FOR ANY APPROVED ASSIGNMENT OR SUBLEASE. No assignment or sublease shall in any way discharge Lessee's obligations to Lessor under this Agreement or Schedule.

(b) Lessor may at any time without notice to Lessee, but subject to the rights of Lessee, transfer, assign, or grant a security interest in any Product, this Agreement, any Schedule, or any rights and obligations hereunder or thereunder in whole or in part. Lessee hereby consents to such assignments, agrees to comply fully with the terms thereof, and agrees to execute and deliver promptly such acknowledgments, opinions of counsel and other instruments reasonably requested to effect such assignment.

(c) Subject to the foregoing, this Agreement and each Schedule shall be binding upon and inure to the benefit of Lessor, Lessee and their successors and assigns.

**21. GOVERNING LAW; JURISDICTION AND VENUE; WAIVER OF JURY TRIAL.**

THIS AGREEMENT AND EACH SCHEDULE SHALL BE GOVERNED BY TEXAS LAW WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES AND, TO THE EXTENT APPLICABLE, THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. LESSEE CONSENTS TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED IN WILLIAMSON COUNTY, TEXAS, AND WAIVES ANY OBJECTION TO VENUE IN SUCH COURT, AND FURTHER WAIVES ANY RIGHT TO A TRIAL BY JURY.

**22. MISCELLANEOUS.**

(a) The headings used in this Agreement are for convenience only and shall have no legal effect. This Agreement shall be interpreted without any strict construction in favor of or against either party.

(b) The provisions of Sections 6, 8, 11, 12(b), 12(c), 12(d), 16, 21 and 22 shall continue in full force and effect even after the term or expiration of this Agreement or any Schedule.

(c) Failure of Lessor at any time to require Lessee's performance of any obligation shall not affect the right to require performance of that obligation. No term, condition or provision of this Agreement or any Schedule shall be waived or deemed to have been waived by Lessor unless it is in writing and signed by a duly authorized representative of Lessor. A valid waiver is limited to the specific situation for which it was given.

(d) Lessee shall furnish such financial statements of Lessee (prepared in accordance with generally accepted accounting principles) and other information as Lessor may from time to time reasonably request.

(e) If any provision(s) of this Agreement is deemed invalid or unenforceable to any extent (other than provisions going to the essence of this Agreement) the same shall not in any respect affect the validity, legality or enforceability (to the fullest extent permitted by law) of the remainder of this Agreement, and the parties shall use their best efforts to replace such illegal, invalid or unenforceable provisions with an enforceable provision approximating, to the extent possible, the original intent of the parties.

(f) Unless otherwise provided, all obligations hereunder shall be performed or observed at the respective party's expense.

(g) Lessee shall take any action reasonably requested by Lessor for the purpose of fully effectuating the intent and purposes of this Agreement or any Schedule. If any Lease is determined to be other than a true lease, Lessee hereby grants to Lessor a first priority security interest in the Products and all proceeds thereof. Lessee acknowledges that by signing this Agreement, Lessee has authorized Lessor to file any financing statements or related filings as Lessor may reasonably deem necessary or appropriate. Lessor may file a copy of this Agreement or any Schedule in lieu of a financing statement.

(h) This Agreement and any Schedule may be signed in any number of counterparts each of which when so executed or otherwise authenticated and delivered shall be an original but all counterparts shall together constitute one and the same instrument. To the extent each Schedule would constitute chattel paper as such term is defined in the UCC, no security interest may be created through the transfer or control or possession, as applicable, of a counterpart of a Schedule other than the original in Lessor's possession marked by Lessor as either “Original” or “Counterpart Number 1”.

(i) This Agreement and the Schedules hereto between Lessor and Lessee set forth all of the understandings and agreements between the parties and supersede and merge all prior written or oral communications, understandings, or agreements between the parties relating to the subject matter contained herein. Except as permitted herein, this Agreement and any Schedule may be amended only by a writing duly signed or otherwise authenticated by Lessor and Lessee.

(j) If Lessee delivers this signed Master Lease, or any Schedule, amendment or other document related to the Master Lease (each a “Document”) to Lessor by facsimile transmission, and Lessor does not receive all of the pages of that Document, Lessee agrees that, except for any pages which require a signature, Lessor may supply the missing pages to the Document from Lessor’s database which conforms to the version number at the bottom of the page. If Lessee delivers a signed Document to Lessor as an e-mail attachment, facsimile transmission or by U.S. mail, Lessee acknowledges that Lessor is relying on Lessee’s representation that the Document has not been altered. Lessee further agrees that, notwithstanding any rule of evidence to the contrary, in any hearing, trial or proceeding of any kind with respect to a Document, Lessor may produce a tangible copy of the Document transmitted by Lessee to Lessor by facsimile or as an e-mail attachment and such signed copy shall be deemed to be the original of the Document. To the extent (if any) that the Document constitutes chattel paper under the Uniform Commercial Code, the authoritative copy of the Document shall be the copy designated by Lessor or its assignee, from time to time, as the copy available for access and review by Lessee, Lessor or its assignee. All other copies are deemed identified as copies of the authoritative copy. In the event of inadvertent destruction of the authoritative copy, or corruption of the authoritative copy for any reason or as the result of any cause, the authoritative copy may be restored from a backup or archive copy, and the restored copy shall become the authoritative copy. At Lessor’s option, this electronic record may be converted into paper form. At such time, such paper copy will be designated or marked as the authoritative copy of the Document.

(k) Lessee is subject to and responsible for compliance with the export control and economic sanctions laws of all applicable jurisdictions (together, **Applicable Trade Laws**). Products may not be used, sold, leased, exported, imported, re-exported, or transferred except in compliance with the Applicable Trade Laws. Lessee represents and warrants that Lessee is not the subject or target of or located in a country or territory that is the subject or target of economic sanctions under the Applicable Trade Laws. Lessee will defend and indemnify us and our affiliates against any third-party claim resulting from a breach of any of the foregoing. Trade Compliance requirements available at www.dell.com/tradecompliance contain further information and requirements on compliance with Applicable Trade Laws and then-current restrictions Lessee must adhere to. In addition, Lessee confirms that it will comply with all applicable laws, orders and regulations of any governmental authority with jurisdiction over the activities connected to this Lease, including but not limited to anti-money laundering, anti-bribery and corruption, financial, and restrictive measures. Lessee further confirms that it will provide to us any information required to allow us to comply with any applicable laws, orders or regulations related to this Lease.

EXECUTED by the undersigned on the dates set forth below, to be effective as of the Effective Date.

**CITY OF GEORGETOWN, TEXAS**
“Lessee”

BY: _____

NAME: _____

TITLE: _____

DATE: _____

**Dell Financial Services L.L.C.**
“Lessor”

BY: _____

NAME: _____

TITLE: _____

DATE: _____

**CITY OF GEORGETOWN, TEXAS**
**TRUE LEASE SCHEDULE NO. 001-9019486-002**
**TO MASTER LEASE AGREEMENT NO. 632317-100705**
**APPENDIX F CONTRACT # DIR-CPO-5792**

THIS SCHEDULE, ENTERED INTO BETWEEN **DELL FINANCIAL SERVICES L.L.C.** ("Lessor") and CITY OF GEORGETOWN, TEXAS ("Lessee"), IS SUBJECT TO AND INCORPORATES THE TERMS AND CONDITIONS OF THE MASTER LEASE AGREEMENT NO. 632317-100705 ("MLA" or "Agreement") BETWEEN DELL FINANCIAL SERVICES L.L.C. ("Lessor") AND THE STATE OF TEXAS ACTING BY AND THROUGH THE DEPARTMENT OF INFORMATION RESOURCES ("DIR") UNDER APPENDIX F OF CONTRACT # DIR-CPO-5792 BETWEEN THE DIR AND DELL MARKETING L.P. DATED APRIL 4, 2025.

Lessor hereby agrees to lease and/or make available to Lessee subject to the terms, conditions and provisions set forth in this Schedule and in the MLA, the Products described below. Any capitalized term used herein and not defined herein shall have the meaning ascribed to it in the MLA.

PRODUCT DESCRIPTION AND LOCATION: See below or Exhibit "A" attached to and made a part hereof.

**PRODUCT SELLER: WAYPOINT BUSINESS SOLUTIONS, LLC, 118 VINTAGE PARK BLVD., HOUSTON, TEXAS**

| Product Description | Product Location | Lessee Purchase Order No. | Rent* | Primary Term (Mos.) | Commencement Date*** |
|---|---|---|---|---|---|
| **See Exhibit A** | **See Exhibit A** | **TBD** | **$390,512.25** | **60** | **June 01, 2026** |

**Total Product Acquisition Cost: $1,882,168.18**

Rent is payable: in Advance

Payment Period: Annually

* Lessee is responsible for applicable taxes, shipping, and other amounts as described in the MLA and, with the first payment of Rent any prorated Rent, if applicable. Such amounts are further described in Exhibit "A".

** The Commencement Date may be extended for one Payment Period until the Schedule is returned in accordance with the terms stated in the MLA. Lessor may charge Lessee prorated Rent accruing from the Acceptance Date to the Commencement Date, as such date is finally determined.

## TRUE LEASE PROVISIONS

The following provisions shall apply to this Schedule in addition to the provisions in the MLA:

**1. TRUE LEASE: The parties intend for this lease to constitute a true lease of Products under the UCC and all applicable laws.** If this Lease is determined to be a lease intended as security, in no event shall Lessee be obligated to pay any time price balance differential in excess of the maximum amount permitted by applicable law (as specified herein or the state where the Products are located, whichever law permits the greater amount). In the event Lessor shall receive anything of value under a Lease that is deemed interest which would exceed the maximum amount of interest allowed under the law, the excess amount shall be applied to the reduction of the unpaid time price balance or shall be refunded to Lessee. In order to reduce the unpaid time price balance, any amount deemed interest shall, to the fullest extent permitted by applicable law, be amortized and spread uniformly throughout the Lease Term."

**2. END OF LEASE OPTIONS.**

(a) Provided that no Event of Default has occurred and is continuing, and at least 90 days but no more than 180 days prior to the expiration of the Primary Term (the "Expiration Date"), Lessee will give irrevocable written notice to Lessor of its intention to either:

(i) purchase all of the Products at the Fair Market Value (as defined below);
(ii) renew the Lease Term for a minimum of six (6) months at a rate and for a term agreed upon by both parties; or
(iii) return all of the Products in accordance with the MLA.

(b) If Lessee exercises the option to purchase the Products then, upon receipt of payment of the "Fair Market Value" (defined below), plus applicable taxes, Lessor will sell the Products to Lessee AS IS-WHERE IS, WITHOUT WARRANTY OR RECOURSE, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING ANY WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR AGAINST INFRINGEMENT. The Fair Market Value purchase price shall be paid on or before the last day of the Primary Term. "Fair Market Value" means the price of the Products, installed, in use and in the condition required by the MLA as determined by Lessor in its reasonable judgment. If Lessee disagrees with the Fair Market Value, Lessee shall notify Lessor in writing within 60 days prior to the Expiration Date and, upon Lessee's request, and within ten (10) days after receipt of Lessee's notice, Lessor shall appoint a qualified appraiser reasonably acceptable to Lessee to appraise the retail value of the Products. The amount determined by such appraiser shall be the final Fair Market Value. Lessor and Lessee shall share the expense of such appraisal equally.

(c) If Lessee desires to renew a lease, Lessee and Lessor shall enter into a supplement to this Schedule describing the length of the renewal Lease Term and the renewal Rent provided, however, all other terms of this Schedule and the MLA shall remain in full force and effect.

(d) Whether or not Lessee has given Lessor notice if its intent as described above, if Lessee does not return or purchase the Products or renew the Lease as required above, the Lease Term shall automatically extend on a month-to-month basis at the Rent in effect on the Expiration Date (prorated on a monthly basis if the Payment Period was other than monthly during the Primary Term). Such extension shall continue until Lessee: (i) provides thirty (30) days prior written notice of its intention to return or purchase the Products (to take effect on the next Rent payment date that is at least 30 days after the notice is received by Lessor) and (ii) either returns or purchases all of the Products in accordance with the End of Lease options above. Payments of Rent during the month-to-month extension are due and payable monthly as specified in Lessor's invoice. If Lessee fails to return or purchase any Products, the Schedule and associated Rent for the Products that have not been returned or purchased shall extend on a month-to-month basis in accordance with the prior sentence.

**3. SECTION 30. MISCELLANEOUS.**

Insert the following at the end of subsection (b):

"Notwithstanding the foregoing, this Schedule may be signed in any number of counterparts each of which when so executed or otherwise authenticated and delivered shall be an original but all counterparts shall together constitute one and the same instrument. To the extent this Schedule would constitute chattel paper as that term is defined in the UCC, no security interest may be created through the transfer or control or possession, as applicable, of a counterpart of a Schedule other than the original in Lessor's possession marked by Lessor as either "original" or "Counterpart Number 1".

Insert the following at the end of subsection (e):

"If Lessee delivers this Schedule or any amendment (each a "Document") to Lessor by facsimile transmission, and Lessor does not receive all of the pages of that Document, Lessee agrees that, except for any pages which require a signature, Lessor may supply the missing pages to the Document from Lessor's database which conforms to the version number at the bottom of the page. If Lessee delivers a signed Document to Lessor as an e-mail attachment, facsimile transmission or by U.S. mail, Lessee acknowledges that Lessor is relying on Lessee's representation that the Document has not been altered. Lessee further agrees that, notwithstanding any rule of evidence to the contrary, in any hearing, trial or proceeding of any kind with respect to a Document, Lessor may produce a tangible copy of the Document transmitted by Lessee to Lessor by facsimile or as an e-mail attachment and such signed copy shall be deemed to be the original of the Document. To the extent (if any) that the Document constitutes chattel paper under the Uniform Commercial Code, the authoritative copy of the Document shall be the copy designated by Lessor or its assignee, from time to time, as the copy available for access and review by Lessee, Lessor or its assignee. All other copies are deemed identified as copies of the authoritative copy. In the event of inadvertent destruction of the authoritative copy, or corruption of the authoritative copy for any reason or as the result of any cause, the authoritative copy may be restored from a backup or archive copy, and the restored copy shall become the authoritative copy. At Lessor's option, this electronic record may be converted into paper form. At such time, such paper copy will be designated or marked as the authoritative copy of the Document."

4. **COMPLETION OF SCHEDULE.** Lessee hereby authorizes Lessor to insert or update the serial numbers of the Products from time to time if necessary.

By signing below, each of the parties hereto agrees to be bound by the terms of the MLA, this Schedule and the attached Exhibit "A".

| **CITY OF GEORGETOWN, TEXAS**<br>(Lessee) | **DELL FINANCIAL SERVICES L.L.C.**<br>(Lessor) |
|---|---|
| By: _____<br>(Authorized Signature) | By: _____<br>(Authorized Signature) |
| _____<br>(Name/Title) | _____<br>(Name/Title) |
| _____<br>(Date) | _____<br>(Date) |

## ACCEPTANCE CERTIFICATE

Acceptance Certificate under Schedule No. 001-9019486-002 dated _____ between Dell Financial Services L.L.C. ("Lessor") and CITY OF GEORGETOWN, TEXAS ("Lessee") under Master Lease Agreement No. 001-9019486-002 between Dell Financial Services L.L.C and the State of Texas acting by and through the Department of Information Resources (“DIR”) under Appendix F of contract # DIR-CPO-5792 between the DIR and Dell Marketing L.P. dated April 4, 2025 (collectively, the "Lease").

1. Asset(s). The Lessee hereby certifies that the Asset(s) set forth and described in the above mentioned Schedule have been delivered to the location(s) set forth in the Schedule, inspected by the Lessee, found to be in good order and accepted, all on the Date of Acceptance set forth below:

Date of Acceptance: _____, 20___

2. Representations by the Lessee. The Lessee hereby represents and warrants to the Lessor and any Assignees that on the Date of Acceptance set forth above:

(a) the representations and warranties of the Lessee set forth in the Lease are true and correct in all material respects as though made on and as of such Date of Acceptance; (b) the Lessee has satisfied or complied with all requirements set forth in the Lease to be satisfied or complied with on or prior to such Date of Acceptance; (c) no Default or Event of Default under this Lease has occurred and is continuing on such Date of Acceptance; and (d) the Asset(s) are insured in accordance with the provisions of the Master Lease Agreement.

**CITY OF GEORGETOWN, TEXAS**
LESSEE:

BY: _____

NAME: _____

TITLE: _____

# EXHIBIT A

# QUOTE

**Number** AAAQ27489

**Date** May 4, 2026

118 Vintage Park Blvd, W414, Houston, TX 77070
Phone: 832-479-8540

## Bill To

City Of Georgetown
James Davis
510 W 9th St
Georgetown, TX 78626-5510

Phone 512-930-3656
Email James.Davis@GeorgetownTexas.Gov

## Ship To

City Of Georgetown
James Davis
510 W 9th St
Georgetown, TX 78626-5510

Phone 512-930-3656
Email James.Davis@GeorgetownTexas.Gov

## Account Manager

Becky Reinis
469-964-6283
breinis@waypointsolutions.com

## Contract

*DIR-Dell EMC*

*DIR-CPO-5792*

*Notes:*

*SCADA AX - PROD & DR (7 nodes)*

| Line | Qty | Description | Unit Price | Ext. Price |
|---|---|---|---|---|
| | | *PROD Site* | | |
| 1 | 4 | Dell Azure Local AX760 w/ dual 3.9GHz 8c procs, 512GB RAM, 7x 3.84TB NVMe (30TB usable), 8x 10/25GbE SFP28 NICs, BOSS 960GB, 220v, 5yr 4hr ProSupport Plus, ProDeploy Plus. | $193,107.43 | $772,429.72 |
| | | *DR Site* | | |
| 2 | 3 | Dell Azure Local AX760 w/ dual 3.9GHz 8c procs, 512GB RAM, 7x 3.84TB NVMe (30TB usable), 8x 10/25GbE SFP28 NICs, BOSS 960GB, 220v, 5yr 4hr ProSupport Plus, ProDeploy Plus. | $193,107.43 | $579,322.29 |

| | |
|---|---|
| **SubTotal** | $1,351,752.01 |
| **Tax** | $0.00 |
| **Shipping** | $0.00 |
| **Total** | **$1,351,752.01** |

All products, pricing, and other information are based on the latest information available and are subject to change for any reason, including but not limited to tariffs imposed by government authorities, shortages in materials or resources, increase in the cost of manufacturing or other factors beyond Supplier's reasonable control.

RETURNS ARE NOT PERMITTED FROM COMMERCIAL CUSTOMERS. YOU CAN VIEW OUR FULL RETURN POLICY AT https://www.waypointsolutions.com/return-policy. PRICES ARE SUBJECT TO CHANGE AND ARE BASED UPON TOTAL PURCHASE. WE SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. WE SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, BUSINESS, GOODWILL, DATA, OR INTERRUPTION OF BUSINESS, NOR FOR INCIDENTIAL OR CONSEQUENTIAL MERCHANTABILITY OR FITNESS OF PURPOSE, OR DAMAGES RELATED TO THIS AGREEMENT.

# EXHIBIT A

# QUOTE

**Number** AAAQ27520

**Date** May 4, 2026

118 Vintage Park Blvd, W414, Houston, TX 77070
Phone: 832-479-8540

## Bill To

City Of Georgetown
James Davis
510 W. Ninth Street
Georgetown, TX 78626

Phone 512-930-3656
Email James.Davis@GeorgetownTexas.Gov

## Ship To

City Of Georgetown
James Davis
510 W. Ninth Street
Georgetown, TX 78626

Phone 512-930-3656
Email James.Davis@GeorgetownTexas.Gov

## Account Manager

Becky Reinis
469-964-6283
breinis@waypointsolutions.com

## Contract

DIR-Dell EMC
DIR-CPO-5792

**Notes:**

DMZ

| Line | Qty | Description | Unit Price | Ext. Price |
|---|---|---|---|---|
| 1 | 3 | Dell Azure Local AX760 w/ dual 2.8GHz 16c procs, 512GB RAM, 5x 3.84TB NVMe (20TB usable), 8x 10/25GbE SFP28 NICs, BOSS 960GB, 220v, 5yr 4hr ProSupport Plus, ProDeploy Plus | $176,805.39 | $530,416.17 |

| | |
|---|---|
| **SubTotal** | $530,416.17 |
| **Tax** | $0.00 |
| **Shipping** | $0.00 |
| **Total** | **$530,416.17** |

All products, pricing, and other information are based on the latest information available and are subject to change for any reason, including but not limited to tariffs imposed by government authorities, shortages in materials or resources, increase in the cost of manufacturing or other factors beyond Supplier's reasonable control.

RETURNS ARE NOT PERMITTED FROM COMMERCIAL CUSTOMERS. YOU CAN VIEW OUR FULL RETURN POLICY AT https://www.waypointsolutions.com/return-policy. PRICES ARE SUBJECT TO CHANGE AND ARE BASED UPON TOTAL PURCHASE. WE SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. WE SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, BUSINESS, GOODWILL, DATA, OR INTERRUPTION OF BUSINESS, NOR FOR INCIDENTIAL OR CONSEQUENTIAL MERCHANTABILITY OR FITNESS OF PURPOSE, OR DAMAGES RELATED TO THIS AGREEMENT.

Dell Financial Services™

**Prepared For:** CITY OF GEORGETOWN, TEXAS

**May 18, 2026**

Thank you for giving Dell Financial Services L.L.C. ("DFS") the opportunity to provide a technology financing solution. Enclosed is a financing proposal for your new technology needs. We look forward to discussing this opportunity in further detail with you. If you have any questions, please contact me at the phone number or email address below.

| Term | 60 |
|---|---|
| Option | FMV |
| Payments: | Annual |
| Consolidation: | Monthly |
| Payments Due: | Advance |
| Interim Rent: | None |

| Quote Number | Summary Product Description | Product Price | Quantity | Extended Price | Rate Factor | 5 Payments |
|---|---|---|---|---|---|---|
| AAAQ27489 | Dell Azure Local AX760 Nodes | $193,107.43 | 7 | $1,351,752.01 | 0.20748 | $280,461.51 |
| AAAQ27520 | Dell Azure Local AX760 Nodes | $176,805.39 | 3 | $530,416.17 | 0.20748 | $110,050.75 |
| | TOTALS | | | $1,882,168.18 | | $390,512.25 |

**Proposal Expiration Date:**
**June 17, 2026**

**PLEASE NOTE:**

**Personal Property Taxes (PPT) will be assumed by DFS.**

Leasing and financing provided by Dell Financial Services L.L.C. or its affiliate or designee ("DFS") to qualified customers. Offers may not be available or may vary in certain countries. Where available, offers may be changed without notice and are subject to product availability, credit approval, execution of documentation provided by and acceptable to DFS, and may be subject to minimum transaction size. Offers not available for personal, family or household use. Dell and the Dell logo are trademarks of Dell Inc. Proposal is property of DFS, contains confidential information and shall not be duplicated or disclosed in whole or part. Proposal is not a firm offer of financing. Pricing and rates based upon the final amount, configuration and specification of the supplied equipment, software, services or fees. Prorata payment may be due in the first payment cycle. Proposal excludes additional costs to customer such as shipping, maintenance, filing fees, applicable taxes, insurance and similar items. Proposal valid through the expiration date shown above, or if none is specified, for 30 calendar days from date of presentation. Upon expiration, lease rates may be changed in the event that market rates change

**End of Term Options:**

**Fair Market Value (FMV) Lease:**

- Exercise the option to purchase the products at the then fair market value.
- Return all products to lessor at the lessee's expense.
- Renew the lease on a month to month or fixed term basis.

**Joe Vesce**
**Account Executive, Dell Payment Solutions**
**Dell Technologies | Enterprise & Public Financial Sales**
**Office: (512) 813-0132**
Joe_Vesce@Dell.com

**Additional Information:**

**LEASE QUOTE:** The Lease Quote is exclusive of shipping costs, maintenance fees, filing fees, licensing fees, property or use taxes, insurance premiums and similar items which shall be for Lessee's account. Lessee will pay payments and all other amounts without set-off, abatement or reduction for any reason whatsoever. Additionally, Lessee shall declare and pay all sales, use and personal property taxes to the appropriate taxing authorities. **If you are sales tax exempt, please provide a copy of your Exemption Certificate with the Lease Contract.** If Lessee provides the appropriate tax exemption certificates to DFS, sales and use taxes will not be collected by DFS. However, if your taxing authority assesses a **personal property tax** on leased equipment, and if DFS pays that tax under your lease structure, Lessee must reimburse DFS for that tax expense in connection with the Lessee's lease.

**PURCHASE ORDER:** The Purchase Order must be made out to Dell Financial Services L.L.C., One Dell Way, RR8-23, Round Rock, TX 78682. The Purchase Order will need to include the quote number, quantity and description of the equipment. Please be sure to indicate that the PO is for a lease order and shows the type of lease, the term length, and payment frequency. The date of the lease quote referenced should be included. Please be sure to include any applicable shipping costs as a line item and include your address as the SHIP TO destination.

**INSURANCE:** The risk of loss on the equipment is borne solely by the Lessee. Lessee shall be required to purchase and maintain during the Term (i) comprehensive public liability insurance naming Lessor as additional insured; and (ii) "all-risk" physical damage insurance in a minimum amount of the Purchase Price, naming DFS as first loss payee.

**APPROPRIATION COVENANT:** The Lease may contain an appropriation of funds clause. The Lessee will covenant that it shall do all things legally within its power to obtain and maintain funds from which the payments may be paid.

**DOCUMENTATION:** In addition to a duly executed Agreement, other documents as reasonably requested by DFS may be required, such as but not limited to, opinions of counsel, IRS tax exemption forms (if applicable), and audited financials.

**PROPOSAL VALIDITY / APPROVALS:** This is a proposal based upon market conditions and is valid for 30 days, is subject to final credit approval, review of the economics of the transaction, and execution of mutually acceptable documentation.

**INDEXING LANGUAGE:** Upon expiration, lease rates may be changed in the event that market rates change.

**CITY OF GEORGETOWN, TEXAS**
**TRUE LEASE SCHEDULE NO. 001-9019486-003**
**MASTER LEASE AGREEMENT NO. 632317-104775**

THIS SCHEDULE IS SUBJECT TO AND INCORPORATES THE TERMS AND CONDITIONS OF MASTER LEASE AGREEMENT NO. 632317-104775 ("Agreement") DATED May 15, 2026 BETWEEN DELL FINANCIAL SERVICES L.L.C. ("Lessor") AND CITY OF GEORGETOWN, TEXAS ("Lessee").

Lessor hereby agrees to lease and/or make available to Lessee subject to the terms, conditions and provisions set forth in this Schedule and in the Agreement, the Products described below. Any capitalized term used herein and not defined herein shall have the meaning ascribed to it in the Agreement.

PRODUCT DESCRIPTION AND LOCATION: See below or Exhibit "A" attached to and made a part hereof.

**PRODUCT SELLER:** WAYPOINT BUSINESS SOLUTIONS, LLC, 118 Vintage Park Blvd, W414, Houston, TX, 77070, US

| Product Description | Product Location | Lessee Purchase Order No. | Rent* | Primary Term (Mos.) | Commencement Date** |
|---|---|---|---|---|---|
| See Exhibit 'A' | See Exhibit 'A' | TBD | $58,666.72 | 60 | TBD |

**Total Product Acquisition Cost: $282,758.42**

Rent is payable: in Advance

Payment Period: Annually

*Lessee is responsible for applicable taxes, shipping and other amounts as described in the Agreement, and, with the first payment of Rent, any prorated Rent if applicable. Such amounts are further described in Exhibit "A".

**The Commencement Date may be extended for one Payment Period until the Schedule is returned in accordance with the terms in the Agreement. Lessor may charge Lessee prorated Rent accruing from the Acceptance Date to the Commencement Date, as such date is finally determined.

## TRUE LEASE PROVISIONS

The following provisions shall apply with respect to this Schedule in addition to those provisions in the Agreement:

1. **TRUE LEASE**: The parties intend for this lease to constitute a true lease of Products under the UCC and all applicable laws. If this Lease is determined to be a lease intended as security, in no event shall Lessee be obligated to pay any time price balance differential in excess of the maximum amount permitted by applicable law (as specified herein or the state where the Products are located, whichever law permits the greater amount). In the event Lessor shall receive anything of value under a Lease that is deemed interest which would exceed the maximum amount of interest allowed under the law, the excess amount shall be applied to the reduction of the unpaid time price balance or shall be refunded to Lessee. In order to reduce the unpaid time price balance, any amount deemed interest shall, to the fullest extent permitted by applicable law, be amortized and spread uniformly throughout the Lease Term.

2. **END OF LEASE OPTIONS**.
(a) Provided that no Event of Default has occurred and is continuing, and at least 90 days but no more than 180 days prior to the expiration of the Primary Term (the "Expiration Date"), Lessee will give irrevocable written notice to Lessor of its intention to either:

(i) purchase all of the Products at the Fair Market Value (as defined below);
(ii) renew the Lease Term for a minimum of six (6) months at a rate and for a term agreed upon by both parties; or

(iii) return all of the Products in accordance with the Agreement.

(b) If Lessee exercises the option to purchase the Products then, upon receipt of payment of the "Fair Market Value" (defined below), plus applicable taxes, Lessor will sell the Products to Lessee AS IS-WHERE IS, WITHOUT WARRANTY OR RECOURSE, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING ANY WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR AGAINST INFRINGEMENT. The Fair Market Value purchase price shall be paid on or before the last day of the Primary Term. "Fair Market Value" means the price of the Products, installed, in use and in the condition required by the Agreement as determined by Lessor in its reasonable judgment. If Lessee disagrees with the Fair Market Value, Lessee shall notify Lessor in writing within 60 days prior to the Expiration Date and, upon Lessee's request, and within ten (10) days after receipt of Lessee's notice, Lessor shall appoint a qualified appraiser reasonably acceptable to Lessee to appraise the retail value of the Products. The amount determined by such appraiser shall be the final Fair Market Value. Lessor and Lessee shall share the expense of such appraisal equally.

(c) If Lessee desires to renew a lease, Lessee and Lessor shall enter into a supplement to this Schedule describing the length of the renewal Lease Term and the renewal Rent provided, however, all other terms of this Schedule and the Agreement shall remain in full force and effect.

(d) Whether or not Lessee has given Lessor notice if its intent as described above, if Lessee does not return or purchase the Products or renew the Lease as required above, the Lease Term shall automatically extend on a month-to-month basis at the Rent in effect on the Expiration Date (prorated on a monthly basis if the Payment Period was other than monthly during the Primary Term). Such extension shall continue until Lessee: (i) provides thirty (30) days prior written notice of its intention to return or purchase the Products (to take effect on the next Rent payment date that is at least 30 days after the notice is received by Lessor) and (ii) either returns or purchases all of the Products in accordance with the End of Lease options above. Payments of Rent during the month-to-month extension are due and payable monthly as specified in Lessor's invoice. If Lessee fails to return or purchase any Products, the Schedule and associated Rent for the Products that have not been returned or purchased shall extend on a month-to-month basis in accordance with the prior sentence.

3. **COMPLETION OF SCHEDULE.** Lessee hereby authorizes Lessor to insert or update the serial numbers of the Products from time to time if necessary.

If Lessee delivers this signed Schedule, any amendment or other document related to this Schedule or the Master Lease (each a "Document") to Lessor by facsimile transmission, and Lessor does not receive all of the pages of that Document, Lessee agrees that, except for any pages which require a signature, Lessor may supply the missing pages to the Document from Lessor's database which conforms to the version number at the bottom of the page. If Lessee delivers a signed Document to Lessor as an e-mail attachment, facsimile transmission or by U.S. mail, Lessee acknowledges that Lessor is relying on Lessee's representation that the Document has not been altered. Lessee further agrees that, notwithstanding any rule of evidence to the contrary, in any hearing, trial or proceeding of any kind with respect to a Document, Lessor may produce a tangible copy of the Document transmitted by Lessee to Lessor by facsimile or as an e-mail attachment and such signed copy shall be deemed to be the original of the Document. To the extent (if any) that the Document constitutes chattel paper under the Uniform Commercial Code, the authoritative copy of the Document shall be the copy designated by Lessor or its assignee, from time to time, as the copy available for access and review by Lessee, Lessor or its assignee. All other copies are deemed identified as copies of the authoritative copy. In the event of inadvertent destruction of the authoritative copy, or corruption of the authoritative copy for any reason or as the result of any cause, the authoritative copy may be restored from a backup or archive copy, and the restored copy shall become the authoritative copy. At Lessor's option, this electronic record may be converted into paper form. At such time, such paper copy will be designated or marked as the authoritative copy of the Document.

By signing below, each of the parties hereto agrees to be bound by the terms of the Agreement, this Schedule and the attached Exhibit “A”.

| CITY OF GEORGETOWN, TEXAS<br>"Lessee" | DELL FINANCIAL SERVICES L.L.C.<br>“Lessor” |
|---|---|
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

Exhibit A_001-9019486-003

# QUOTE

**Number** AAAQ27704

**Date** May 11, 2026

118 Vintage Park Blvd, W414, Houston, TX 77070
Phone: 832-479-8540

## Bill To

City Of Georgetown
James Davis
510 W. Ninth Street
Georgetown, TX 78626

Phone 512-930-3656
Email James.Davis@GeorgetownTexas.Gov

## Ship To

City Of Georgetown
James Davis
510 W. Ninth Street
Georgetown, TX 78626

Phone 512-930-3656
Email James.Davis@GeorgetownTexas.Gov

## Account Manager

Becky Reinis
469-964-6283
breinis@waypointsolutions.com

## Contract

TIPS

230105

**Notes:**

DMZ

| Line | Qty | Description | Unit Price | Ext. Price |
|---|---|---|---|---|
| 1 | 2 | 2xNexus 93180YC-FX3 w/ 8x 100G Optics w/ 5 years CX Level 1 8x7 NCD support. | $112,622.57 | $225,245.14 |
| | | **Management Switches** | | |
| 2 | 1 | Nexus 9300 with 48p 100M/1/10GT & 6p 40/100G QSFP28+ w/ 5 years CX Level 1 8x7 NCD support. | $54,757.68 | $54,757.68 |
| | | *DMZ Cables* | | |
| 3 | 18 | 25GBASE-CU SFP28 Passive Copper Direct-Attach Cable Assembly 2.0m Cisco Compatible TAA Compliant | $66.67 | $1,200.06 |
| 4 | 6 | 10GBASE-CU SFP+ Passive Copper Direct-Attach Cable Assembly 1m Cisco Compatible TAA Compliant | $32.00 | $192.00 |
| 5 | 4 | 100GBASE-CU QSFP28 to QSFP28 Passive Copper Direct-Attach Cable Assembly 1m Cisco Compatible TAA Compliant | $86.67 | $346.68 |
| 6 | 10 | Cat6 Category 6 550mhz Patch Cord Booted Snagless - 10FT Blue | $4.61 | $46.10 |
| | | *SCADA Cables* | | |
| 7 | 16 | 10GBASE-CU SFP+ Passive Copper Direct-Attach Cable Assembly 2m Cisco Compatible TAA Compliant | $34.67 | $554.72 |
| 8 | 12 | 10GBASE-CU SFP+ Passive Copper Direct-Attach Cable Assembly 2m Cisco Compatible TAA Compliant | $34.67 | $416.04 |

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| Line | Qty | Description | Unit Price | Ext. Price |
|---|---|---|---|---|

| | |
|---|---|
| **SubTotal** | $282,758.42 |
| **Tax** | $0.00 |
| **Shipping** | $0.00 |
| **Total** | **$282,758.42** |

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Dell Financial Services™

**Prepared For:** CITY OF GEORGETOWN, TEXAS

**May 18, 2026**

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| Term | 60 |
|---|---|
| Option | FMV |
| Payments: | Annual |
| Consolidation: | Monthly |
| Payments Due: | Advance |
| Interim Rent: | None |

| Quote Number | Summary Product Description | Product Price | Quantity | Extended Price | Rate Factor | 5 Payments |
|---|---|---|---|---|---|---|
| AAAQ27704 | Cisco Nexus Switches/Cables | $282,758.42 | 1 | $282,758.42 | 0.20748 | $58,666.72 |
| | TOTALS | | | $282,758.42 | | |

**Proposal Expiration Date:**
**June 17, 2026**

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- Exercise the option to purchase the products at the then fair market value.
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Joe_Vesce@Dell.com

**Additional Information:**

**LEASE QUOTE:** The Lease Quote is exclusive of shipping costs, maintenance fees, filing fees, licensing fees, property or use taxes, insurance premiums and similar items which shall be for Lessee's account. Lessee will pay payments and all other amounts without set-off, abatement or reduction for any reason whatsoever. Additionally, Lessee shall declare and pay all sales, use and personal property taxes to the appropriate taxing authorities. **If you are sales tax exempt, please provide a copy of your Exemption Certificate with the Lease Contract.** If Lessee provides the appropriate tax exemption certificates to DFS, sales and use taxes will not be collected by DFS. However, if your taxing authority assesses a **personal property tax** on leased equipment, and if DFS pays that tax under your lease structure, Lessee must reimburse DFS for that tax expense in connection with the Lessee's lease.

**PURCHASE ORDER:** The Purchase Order must be made out to Dell Financial Services L.L.C., One Dell Way, RR8-23, Round Rock, TX 78682. The Purchase Order will need to include the quote number, quantity and description of the equipment. Please be sure to indicate that the PO is for a lease order and shows the type of lease, the term length, and payment frequency. The date of the lease quote referenced should be included. Please be sure to include any applicable shipping costs as a line item and include your address as the SHIP TO destination.

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**APPROPRIATION COVENANT:** The Lease may contain an appropriation of funds clause. The Lessee will covenant that it shall do all things legally within its power to obtain and maintain funds from which the payments may be paid.

**DOCUMENTATION:** In addition to a duly executed Agreement, other documents as reasonably requested by DFS may be required, such as but not limited to, opinions of counsel, IRS tax exemption forms (if applicable), and audited financials.

**PROPOSAL VALIDITY / APPROVALS:** This is a proposal based upon market conditions and is valid for 30 days, is subject to final credit approval, review of the economics of the transaction, and execution of mutually acceptable documentation.

**INDEXING LANGUAGE:** Upon expiration, lease rates may be changed in the event that market rates change.

# PAYMENT AGREEMENT – PUBLIC

Customer: CITY OF GEORGETOWN, TEXAS
Address: PO BOX 409, GEORGETOWN, TX 78627

Billing Contact: ACCOUNTS PAYABLE
Billing Address: PO BOX 409, GEORGETOWN, TX 78627

**Software Licensor:** PALO ALTA NETWORKS
**Vendor:** WAYPOINT BUSINESS SOLUTIONS, LLC. 118 VINTAGE PARK BLVD. W414, HOUSTON, TX 77070

**Products:** Software, equipment and services as described in VENDOR QUOTE #AAAQ27779 ("**Agreement**")

This Payment Agreement ("**PA**") is made effective as of May 18, 2026 between the Customer named above ("**Customer**") and Dell Financial Services L.L.C. ("**Payee**") pursuant to the following: Customer and the Software Licensor and/or Vendor have entered into the above referenced Agreement (including any addenda, amendments, exhibits and schedules attached thereto) in connection with the acquisition of **"Products"** including as applicable, certain equipment, software licenses ("**Licensed Software**"), and services to Customer. Pursuant to the Agreement, Customer is obligated to pay Vendor(s) the total fees described below ("**Fees**"). Payee and Customer have agreed that instead of Customer paying the Fees as described in the Agreement, Customer shall pay Payee installment payments ("**Payment Amounts**") as set forth in the Payment Schedule below and Payee shall pay the Vendor on Customer's behalf.

1. FEES: The Fees set forth in the Agreement consist of $ 517,635.52 for Products. Customer hereby agrees to pay the Payment Amounts to Payee on an installment basis in accordance with the Payment Schedule set forth below.

2. PAYMENT SCHEDULE: Customer shall pay the Payment Amounts in accordance with the schedule ("**Payment Schedule**") below, with each Payment Amount due and payable on the date indicated ("**Due Date**"). Customer shall remit Payment Amounts to the address noted in the invoice from Payee. **PAYMENT AMOUNTS DO NOT INCLUDE APPLICABLE TAX, UNLESS SPECIFIED OTHERWISE.**

3. OBLIGATIONS ABSOLUTE: For the purposes of this PA Products shall be conclusively deemed accepted upon receipt, subject to any right of return provided by the Vendor, and upon Customer's execution of this PA, Customer acknowledges that (i) it has selected the Products based on its own judgment and (ii) Payee is entering into this PA as an accommodation to Customer, and the Agreement, including all obligations, rights and remedies hereunder are separate and distinct from this PA and any remedies which Customer may have, at law or in equity, against Vendor or Software Licensor shall be made independently and without regard to this PA and Customer's obligations hereunder, and (iii) Customer's obligation to remit Payment Amounts to Payee, in accordance with the Payment Schedule and subject only to Customer's right to non-appropriate under Section 7 herein, shall be absolute, unconditional, non-cancelable, and nonrefundable, and shall not be withheld or subject to any abatement, set-off, claim, counterclaim, adjustment, reduction, or defense that Customer may have arising out of or relating to the Agreement, the Products or otherwise for any reason whatsoever, including but not limited to requirements applicable to negotiable instruments (such as presentment for payment and notice of dishonor); termination of the Agreement or any change in, update to or transfer of the Products. If full payment of each Payment Amount and other amounts due and payable is not received by Payee within 10 days of the Due Date, Customer agrees to pay to Payee interest on the overdue amount at the lesser of 1.5% per month or as provided for under any applicable Prompt Payment Act. Customer hereby grants Payee a security interest in the Products (including Customer's right to use Licensed Software and to receive services, credits and refunds from Vendor) and all proceeds related to this PA, to the extent permitted by law. Payee may make related filings as Payee reasonably deems necessary. Customer agrees it is responsible for and will pay or reimburse Payee upon invoice for all government-imposed taxes, duties, fines assessed or imposed on the PA, the Products and the Payment Amounts (but excluding taxes imposed on Payee's income) or any other amount payable with respect to the PA (collectively "Taxes").

4. ASSIGNMENT; WAIVER OF DEFENSES, CLAIMS: Customer hereby consents to Payee's assignment of Payee's rights and interests in and to all or a portion of the Payment Amounts to a third party ("Assignee"). Customer shall not transfer or assign any of Customer's rights or obligations under this PA or grant third-party liens or encumbrances in Products without Payee's prior written consent. Customer agrees that neither Payee nor any Assignee shall assume any of Vendor's or Software Licensor's obligations to Customer under the Agreement, and further, expressly waives, as against Payee and any Assignee, any rights Customer may have or claim related to any matter whatsoever including, without limitation, the design or condition of Products, their merchantability or fitness or capacity or durability for any particular purpose, the quality of the material or workmanship of the Products or conformity of the Products to the provisions and specifications of any purchase order or orders relating thereto, and Customer expressly disclaims the same, and, as to Payee and any Assignee, Customer accepts the Products "AS IS". Payee and any Assignee shall have no liability to Customer or third parties for any claim, loss or damage caused or alleged to be caused directly, indirectly, incidentally or consequentially by the Products, or by any inadequacy thereof or deficiency or defect therein, by any incident whatsoever in connection therewith, arising in strict liability, negligence or otherwise. Customer waives any claim that it may have against Payee for any loss, damage or expense caused by the Products or the Vendor or Software Licensor, even if holder has been advised of the possibility of such damage, loss, expense or cost. Customer acknowledges that Customer ordered the Products from Vendor, and that Customer may have rights under the Agreement and may be entitled to the benefit of warranties provided by Vendor or Software Licensor, and that Customer has received an accurate and complete description of any such rights including any disclaimers or limitations on them or of the remedies thereunder, and Customer shall make

any claims under the Agreement solely and directly against Vendor or Software Licensor, but shall nevertheless pay Payee and any Assignee all amounts due and payable under this PA.

5. DEFAULT, RIGHTS AND REMEDIES: In the event (a) Customer fails to pay, when due, *any* Payment Amount on the Due Date, and such failure shall continue for a period of fifteen (15) days; (b) Customer materially breaches any term herein or other contract with Payee; (c) Customer materially breaches or terminates the Agreement; or (d) Customer invokes the protection of any bankruptcy or insolvency law (any of (a), (b), (c) or (d) above, a "**Default**"), then any and all Payment Amounts and all other amounts due hereunder and scheduled to become due hereunder shall become immediately due and payable by Customer, without demand or notice, and Vendor or Software Licensor may terminate (upon notification by Payee of Default) all of Customer's rights to use of the Licensed Software and services. After the occurrence of a Default hereunder by Customer, Customer agrees to immediately cease using the Licensed Software, to de-install and delete all copies of Licensed Software from any computer systems owned or controlled by Customer or used for Customer's benefit. Customer further agrees to provide a certificate signed by a customer officer who is responsible for Customer's information systems attesting to such cessation of use and maintenance, de-installation and deletion of Licensed Software and services. With regard to Products comprised of hardware or tangible personal property and following an uncured Default, Customer shall at Customer's expense ship such Products to or make them available at Payee's designated location for the purpose of repossession, with clear and unincumbered title reverting back to and vesting in Payee. In the event Payee shall institute any action for the enforcement of the collection of the Payment Amounts pursuant to applicable law, there shall be immediately due from Customer, in addition to the unpaid Payment Amounts, all costs and expenses of such action, including reasonable attorneys' fees. No failure or delay on the part of Payee to exercise any right or remedy hereunder shall operate as a waiver thereof. All remedies are cumulative and not exclusive.

6. FUNDING INTENT: Customer intends to continue this PA for the entire Term and to pay all Payment Amounts and other costs and fees due hereunder. Customer reasonably believes that legally available funds in an amount sufficient to make all Payment Amounts during the Term can be obtained and agrees to do all things lawfully within its power to obtain and maintain funds from which all Payment Amounts and other costs and fees due may be paid. Customer intends and Payee agrees that Customer's obligation to make Payment Amounts under the PA constitutes a current expense of Customer and is not to be construed to be a debt in contravention of applicable law or constitutional or statutory limitations or requirements on the creation of indebtedness or as a pledge of funds beyond Customer's current Fiscal Period.

7. NON-APPROPRIATION OF FUNDS: Customer may terminate this PA in whole, but not in part, by giving at least sixty (60) days written notice prior to the end of the then current Fiscal Period (as defined in the Customer's Secretary/Clerk's Certificate provided to Payee) certifying that: (a) sufficient funds were not appropriated and budgeted by Customer or will not otherwise be available beyond the current Fiscal Period for Payment Amounts or other costs and fees and (b) the Customer has exhausted all funds legally available for payment of such Payment Amounts or other costs and fees due under the PA beyond the current Fiscal Period. Upon termination of the PA, Customer's obligations under the PA (except those that expressly survive the end of the Term) and any interest in the Products shall cease, and Customer shall surrender the Products in accordance with Section 5. Notwithstanding the foregoing, Customer agrees that, without creating a pledge, lien, or encumbrance upon funds available to Customer in other than its current Fiscal Period, it will use its best efforts to take all action necessary to avoid termination of this PA, including making budget requests for each Fiscal Period during each applicable PA Term for adequate funds to meet its obligations and to continue the PA in force.

8. ESSENTIAL USE: Customer represents that the use of the Products is essential to Customer's proper, efficient, and economic operation or to the service which Customer provides to its citizens. Customer expects to make immediate use of the Products, for which it has an immediate need that is neither temporary nor expected to diminish during the applicable PA Term. The Products will be used for the sole purpose of performing one or more of Customer's governmental or proprietary functions consistent within the permissible scope of Customer's authority.

9. AUTHORITY AND AUTHORIZATION: Customer represents and agrees that: (a) Customer is a state or a political subdivision or agency of a state pursuant to Section 103 of the U.S. Treasury Code; (b) the entering into and performance of the PA is authorized under Customer's state laws and Constitution and does not violate or contradict any judgment, law, order or regulation, or cause any default under any agreement to which Customer is a party; (c) Customer has complied with all public bidding requirements, if applicable, and, where necessary, has properly presented the PA for approval and adoption as a valid obligation on Customer's part; and (d) Customer has sufficient appropriated funds or other monies available to pay all amounts due under the PA for Customer's current fiscal period. Upon Payee's request, Customer agrees to provide us with an opinion of counsel as to clauses (a) through (d) above, a secretary's or clerk's certificate of incumbency and authority, and other documents that Payee reasonably requests from time to time in a form satisfactory to Payee.

10. CHOICE OF LAW: This PA will be governed by and construed in all respects in accordance with the laws of the state in which the Customer is located without regard to conflicts of law principles. Subject to applicable laws, the parties' consent and submit to the

jurisdiction of federal courts located within or for the county within the State where Customer is located, or as may otherwise be required by applicable law. The parties waive any objection relating to improper venue or *forum non conveniens* to the conduct of any proceeding in any such courts. **EACH PARTY WAIVES ANY OBJECTION TO SUCH JURISDICTION AS WELL AS ITS RIGHT TO A TRIAL BY JURY**.

11. MISCELLANEOUS: This PA including riders, attachments and exhibits, constitutes the entire agreement regarding the subject matter herein between Customer and Payee and shall supersede any inconsistent terms set forth in the Agreement and all prior oral and written understandings. No term or provision of this PA may be amended except by a written instrument signed by both Payee and Customer; provided that the parties agree that this PA may be amended by written notice from Payee to Customer to adjust the related Payment Amount (any increase up to 15% or any decrease) caused by any change to the Agreement, or to update Product descriptions. Performance under this PA will not violate Customer's bylaws, other agreement or judgement to which it is bound, or any law or regulation. No part of this PA is intended to permit or provide for payment of any amount in excess of lawful amounts. In the event any unlawful excess is collected, Payee shall apply such excess as credit or otherwise refund it to Customer, and the rate or amount involved will automatically be reduced to the maximum lawful rate or amount. To the extent (if any) that this PA or related documentation constitutes chattel paper under the Uniform Commercial Code, the authoritative copy of this PA shall be the copy designated by Payee from time to time, as the copy available for access and review by Customer and Payee. All other copies are copies of the authoritative copy. In the event of inadvertent destruction of the authoritative copy, the authoritative copy may be restored from a backup, and the restored copy shall become the authoritative copy. Customer agrees to take actions and provide documentation (such as Certificates of Acceptance or financial information) reasonably requested by Payee to effect the intent of this PA. Customer agrees to maintain liability insurance naming Payee as loss payee and property insurance in commercially reasonable amounts adequate to cover repair or replacement of any equipment covered by this PA.

**Payment Schedule**

See attached Exhibit A.

| | | | |
|---|---|---|---|
| Customer: | CITY OF GEORGETOWN, TEXAS | Payee: | DELL FINANCIAL SERVICES L.L.C. |
| By: | _____ | By: | _____ |
| Name: | _____ | Name: | _____ |
| Title: | _____ | Title: | _____ |
| Date: | _____ | Date: | _____ |

# SECRETARY OR CLERK'S CERTIFICATE OF INCUMBANCY AND AUTHORITY

Regarding the above referenced "**Contract**" between CITY OF GEORGETOWN, TEXAS ("**Customer**") and Dell Financial Services L.L.C. ("**DFS**")

The undersigned hereby certifies to DFS, including its successors and assigns, that:

(a) the undersigned is the Secretary or Clerk of the Customer, which is a state or a political subdivision or agency of the state in which it is formed,
(b) the signer on the Contract has full right, capacity and power and is duly authorized by all requisite governmental action to execute, deliver, and bind Customer to the Contract, and
(c) the signature appearing on the Contract is in fact the signature of such signer.

By:* _____

Name: _____

Title: _____

Date: _____

** The signers on the Contract and this Secretary/Clerk's Certificate of Authority must be two different authorized signatories.*

## Exhibit A

## Payment Schedule

| Commencement Date | 07/01/2026 |
|---|---|
| Total Financed Amount | $517,635.52 |

| DUE DATE | PAYMENT # | PAYMENT AMOUNT | PRINCIPAL | INTEREST | UNPAID BALANCE |
|---|---|---|---|---|---|
| 07/01/2026 | 1 | $ 115,080.49 | $ 115,080.49 | $ - | $ 460,321.96 |
| 07/01/2027 | 2 | $ 115,080.49 | $ 92,584.83 | $ 22,495.66 | $ 345,241.47 |
| 07/01/2028 | 3 | $ 115,080.49 | $ 97,758.67 | $ 17,321.82 | $ 230,160.98 |
| 07/01/2029 | 4 | $ 115,080.49 | $ 103,221.64 | $ 11,858.85 | $ 115,080.49 |
| 07/01/2030 | 5 | $ 115,080.49 | $ 108,989.89 | $ 6,090.60 | $ - |

Dell Financial Services™

**Prepared For:** CITY OF GEORGETOWN, TEXAS

**May 18, 2026**

Thank you for giving Dell Financial Services L.L.C. ("DFS") the opportunity to provide a technology financing solution. Enclosed is a financing proposal for your new technology needs. We look forward to discussing this opportunity in further detail with you. If you have any questions, please contact me at the phone number or email address below.

| | |
|---|---|
| **Term** | **60** |
| **Option** | **IPA** |
| Payments: | Annual |
| Consolidation: | Monthly |
| Payments Due: | Advance |

| Quote Number | Summary Product Description | Total Acquisition Cost | Rate Factor | 5 Payments |
|---|---|---|---|---|
| AAAQ27779 | Palo Alto PA-3430 Solution | $517,635.52 | 0.22232 | **$115,080.49** |
| | **TOTALS** | **$517,635.52** | | |

**Proposal Expiration Date:**
**June 17, 2026**

** Proposal is confidential and is valid only for "CITY OF GEORGETOWN, TEXAS" to be transacted in the U.S. prior to stated proposal expiry date. Payment plan offered by Dell Financial Services LLC ("DFS") and subject to credit approval at DFS' sole discretion. Transaction documents acceptable to DFS required;

Proposed payments do not include taxes, shipping, or any other fees unless specifically stated.

**Joe Vesce**
**Account Executive, Dell Payment Solutions**

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Development and Operations Agreement with SU 560 Land Holdings, LLC**

SUGGESTED ACTION:
Consideration and possible action to approve the Development and Operations Agreement with SU 560 Land Holdings I LLC regarding the construction, development and operations of the City of Georgetown's Customer Service Center on a 1.80 acre tract land located within Phase One of the Southwestern 560 Planned Unit Development-- David Morgan, City Manager

ITEM SUMMARY:
This Development and Operations Agreement is between Southwestern University and the City of Georgetown, Texas regarding the development of roughly 68.768 acres in the new 560 Southwestern Development. The University is conveying a 1.830-acre parcel to the City for a 99-year term and is granting parking, temporary construction, and wastewater easements to the City, and in exchange, the City plans to build an approximately 74,000-square-foot municipal services building, including ground-floor retail space. The agreement allocates construction responsibilities between the parties: the University handles the public streets, clearing and grading, utilities, and parking-area drainage, while the City handles its building and parking lot. Each party is assigned construction deadlines, and the City building is anticipated to be completed during the summer of 2028.

FINANCIAL IMPACT:
The construction cost for the Municipal Services Building and the Parking Lot is approximately $50,972,221.

SUBMITTED BY:
Skye Masson, City Attorney's Office/ Real Estate

ATTACHMENTS:
Development and Operations Agreement - UPDATED 6.4.26.pdf

# DEVELOPMENT AND OPERATIONS AGREEMENT

THIS DEVELOPMENT AND OPERATIONS AGREEMENT (this "***Agreement***") is made and entered into on this _____ day of _____, 2026 ("***Effective Date***"), by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company ("***Developer***") and **CITY OF GEORGETOWN, TEXAS** ("***COG***").

RECITALS:

A. Developer intends to develop that certain 68.768-acre tract of land located in the City of Georgetown, Williamson County, Texas, more particularly described in **Exhibit "A"** attached hereto (the "***Developer Property***"), including Developer's construction of a transportation network including public streets, sidewalks, traffic signals, turn and deceleration lanes, street parking and related drainage and utility improvements, to be used in connection with the operation and occupancy of the Developer Property and the COG Property (being hereinafter defined and being a portion of the Developer Property). All such improvements to be constructed by Developer as set forth in the Approved Developer Plans (as hereinafter defined) shall be collectively referred to herein as the "***Project Improvements***".

B. Developer has entered into an Economic Development Incentive Agreement with the Georgetown Transportation Enhancement Corporation on even date herewith providing for reimbursement for the costs of certain Project Improvements to be paid on periodic basis as development and construction of the Project Improvements progresses (as may be amended and supplemented from time to time, the "***Performance Agreement***").

C. In connection with the development and construction of the Developer Property, Developer has encumbered (or will soon encumber) the Developer Property with that certain Declaration of Covenants, Conditions and Restrictions, in the form attached hereto as **Exhibit "K"**, dated on or about the date hereof and recorded in the real property records of Williamson County, Texas (as may be amended and supplemented from time to time, the *"**CC&Rs**"*). The Declarant (as such term is defined under the CC&Rs) reserves the right to amend and supplement the CC&Rs applicable to all or a portion of the Developer Property, so long as any such amendment or supplement does not materially and adversely affect COG or the COG Property (as hereinafter defined), or conflict with the terms and provisions of this Agreement.

D. Pursuant to that certain Special Warranty Deed between Developer and COG entered into on or about the date hereof and recorded in the real property records of Williamson County, Texas (the "***Deed***"), Developer has conveyed to COG a portion of the Developer Property, being that certain 1.830-acre tract of land more particularly described in **Exhibit "B-1"** attached hereto (the "***COG Property***") for a time period commencing upon the recordation date of the Deed and expiring upon that date that is ninety-nine (99) years thereafter (the "***Ownership Term***"), provided that such Ownership Term is subject to certain Fee Simple Conditions Subsequent (as defined in the Deed), which in the event that COG violates or fails to observe any such Fee Simple Conditions Subsequent, and a court of competent jurisdiction issues an order declaring that COG has violated or failed to observe such conditions, then Developer or Developer's successors (or designees) will have the right to terminate the fee simple estate granted to COG in the Deed and reenter and retake the Property (the "***Reversionary Rights***"), all as more particularly set forth in the Deed.

E. COG intends to construct on the COG Property, at COG's sole cost and expense, a municipal services building containing approximately 74,000 square feet for purposes of operating a customer service center, which building will include approximately 5,000 square feet of ground floor space suitable for future retail use (such ground floor space, the "***Ground Floor Retail Premises***") and other improvements related thereto (collectively, the *"**COG Building Improvements**"*).

F. Developer desires to provide COG with a parking easement (the "***Parking Easement***") during the Ownership Term (but subject to the Reversionary Rights) over and across that certain 4.629 acre tract of land as more particularly described in **Exhibit "C-1"** attached hereto (the "***Parking Area***"), which Parking Area is a portion of the Developer Property located near the COG Property. The Parking Easement allows COG to design, permit, construct, and maintain, at COG's sole cost and expense, the initial parking lot improvements to be located on the Parking Area (the "***Parking Improvements***", and collectively with the COG Building Improvements being referred to herein as the "***COG Improvements***"). The Parking Easement and Parking Area will be used in common by Developer and COG.

G. In connection with the construction and development of the COG Improvements, COG has requested that, in addition to the Project Improvements, Developer perform, at Developer's sole cost and expense (but subject to the reimbursement rights, if any, set forth in the Performance Agreement), certain work for the COG Property, Parking Area, and the remainder of the Developer Property necessary for the construction of the COG Improvements, including: (i) (a) the clearing and rough grading of the COG Property and Parking Area, and (b) the design and installation of a construction entrance and fire approved accessible road to the COG Property, (items (i)(a), and (i)(b), being collectively referred to herein as the "***Clearing, Grading, and Access Work***"); and (ii)(a) the design and installation of all conduit, pipe, and appurtenances necessary for permanent water service, wastewater service, storm water conveyance, electric service, gas service and telecom service required to serve the COG Property brought to connection points at the boundary of the COG Property, (b) the design and installation of two 4-inch-diameter dedicated conduits, one of which shall contain three innerducts and one of which shall be empty under the right of way of Story Tree Lane between the COG Property and the Parking Area, (c) the design and installation of two 4-inch dedicated conduits with three innerducts from HWY 29 brought to connection points at the boundary of the COG Property, (d) the design and installation of all conduit, pipe, and appurtenances, necessary for permanent water service and electric service required to serve the Parking Area brought to connection points at the boundary of the Parking Area, and (e) the design and installation of a temporary waterline and temporary fire hydrant from Developer's point of service in right-of-way to within 250' of COG Property (collectively, the "***Temporary Water Source***") (items (ii)(a), (ii)(b), (ii)(c), (ii)(d), and (ii)(e) being collectively referred to herein as the "***Utility Improvements***"); and (iii)(a) the design and installation of storm water conveyance pipes to serve the Parking Area and (b) the design and installation of retaining walls, if any required, to serve the Parking Area (items (iii)(a) and (iii)(b) being collectively referred to herein as the "***Drainage Parking Improvements***"). As used herein, the term "***Developer Improvements***" shall collectively mean the Project Improvements; the Clearing, Grading, and Access Work; the Utility Improvements; and the Drainage Parking Improvements.

H. Further in connection with the development and construction of the COG Improvements, COG has requested that Developer convey to COG (i) a temporary construction and staging easement (the "***Temporary Construction Easement***") upon, over and across that certain portion of the Developer Property, as more particularly described in **Exhibit "D-1"**

attached hereto (the "***Temporary Construction Area***"), and (ii) a wastewater easement (the "***Wastewater Easement***") upon, over and across that certain portion of the Developer Property, as more particularly described in **Exhibit "D-4"** attached hereto (the "***Wastewater Easement Area***"). The Parking Easement, Temporary Construction Easement, and Wastewater Easement are collectively referred to herein as the "***Easements***". The Parking Area, Temporary Construction Area, and Wastewater Easement Area are collectively referred to herein as the "***Easement Areas***".

I. Developer has agreed to the conveyance of the COG Property (subject to the Reversionary Rights set forth in the Deed and the CC&Rs) and Easements, and has further agreed to provide for the funding (subject to the reimbursement rights set forth in the Performance Agreement) and construction of the Developer Improvements, all in accordance with the terms and conditions set forth in this Agreement. Furthermore, COG has agreed to the funding and construction of the COG Improvements, all in accordance with the terms and conditions set forth in this Agreement.

J. In this Agreement, the term "***Parties***" means Developer and COG, and their respective successors and permitted assigns, and each may be referred to as a "***Party***".

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, and in consideration of the mutual covenants and benefits herein contained, the receipt and sufficiency of which consideration is hereby acknowledged, Developer and COG agree that the foregoing recitals are true and correct, and Developer and COG covenant and agree as follows:

## Article I
## PRE-CONSTRUCTION PROVISIONS

1.1 **Approved Locations and Forms, Design Documents, Scope and Plans, and Approved Schedule**. Developer and COG hereby approve:

(a) the location of the COG Property set forth in **Exhibit "B-1"** and the form of Deed with Reversionary Rights set forth in **Exhibit "B-2"**;

(b) the location of the Parking Area set forth in **Exhibit "C-1"** and the form of Parking Easement set forth in **Exhibit "C-2"**;

(c) the location of the Temporary Construction Areas set forth in **Exhibit "D-1"**, the form of Temporary Construction Easements set forth in **Exhibit "D-2"**, and the form of Release of the Temporary Construction Easement set forth in **Exhibit "D-3"**;

(d) the location of the Wastewater Easement Area set forth in **Exhibit "D-4"** and the form of the Wastewater Easement set forth in **Exhibit "D-5"**;

(e) the schematic design documents for the COG Building Improvements (the "***Approved COG Designs***"), which Approved COG Designs are attached hereto as **Exhibit "E-1"**;

(f) the required elements for the Ground Floor Retail Premises (the "***Retail Premises Requirements***"), which Retail Premises Requirements are attached hereto as **Exhibit "E-2"**;

(g) the construction schedule for construction and installation of the COG Improvements (the "***Approved COG Schedule***"), which Approved COG Schedule is attached hereto as **Exhibit "F"**;

(h) a construction schedule for construction and installation of the Developer Improvements (the "***Approved Developer Schedule***"), which Approved Developer Schedule is attached hereto as **Exhibit "G"**;

(i) a general description and the scope of work for the Developer Improvements attached hereto as **Exhibit "H"**;

(j) those plans and specifications for the Developer Improvements (or portions thereof) (the "***Developer Plans***"), which Developer Plans are attached hereto as **Exhibit "H-1"**;

(k) the form of CC&Rs that are attached hereto as **Exhibit "K"**; and

(l) the form of Memorandum attached hereto as **Exhibit "M"**.

1.2 **Initial Approval of Developer Plans**.

(a) If there are any additional plans and specifications, not otherwise described on **Exhibit "H-1"** attached hereto, that are necessary for the construction of the Developer Improvements (or respective portions thereof), then in such event, Developer shall provide COG with copies of any such additional plans and specifications within sixty (60) days following the Effective Date hereof (collectively, the ***"Additional Developer Plans"***). COG shall review the proposed Additional Developer Plans and, within twenty-one (21) days of COG's receipt of same, either (i) approve such proposed Additional Developer Plans in writing, which approval shall not be unreasonably withheld; or (ii) disapprove such proposed Additional Developer Plans and, within the same twenty-one (21) day period, provide Developer with written notice of such disapproval, specifying the basis for such disapproval by reference to a specific obligation within a Governing Document. If COG disapproves of the proposed Additional Developer Plans, Developer shall revise such proposed Additional Developer Plans accordingly and resubmit the revised Additional Developer Plans to COG within twenty-one (21) days following the date of COG's written notice of disapproval. Such procedure for notice of approval or disapproval shall be repeated with respect to any revisions to the proposed Additional Developer Plans until the Additional Developer Plans are approved, with each of Developer and COG acting reasonably and in good faith.

(b) Developer shall diligently pursue all necessary approvals from such Governmental Authorities and any other permits, licenses and/or approvals as may be required for the performance of the Developer Work (as hereinafter defined). Following receipt of all governmental approvals to the Developer Plans, Additional Developer Plans (if any), and any other permits, licenses and/or approvals required for the performance of the Developer Work, such plans and any changes or amendments allowed by Section 2.3 or approved by COG in accordance with Section 1.4 below and approved by Governmental Authorities (to the extent required) will be the "***Approved Developer Plans***".

(c) All rights of COG as party to this Agreement to review, comment upon, approve, inspect or take any other action with respect to the Developer Property and Developer Improvements, or the design or construction of any Developer Improvements, or any other matter, or COG's waiver of its approval rights or its election not to review, comment upon, or inspect any of the foregoing, are specifically for the benefit of COG and no other party. COG neither has nor

assumes any liability, responsibility or obligation for, in connection with, or with respect to, any such approvals, waivers or elections. Furthermore, no review, comment, approval or inspection or similar actions, waivers or elections required or permitted by, of, or to COG hereunder, or actions or omissions of COG, or other circumstances shall give or be deemed to give COG any such liability, responsibility or obligation. In the event COG grants its approval, such approval is merely COG's consent to the requested action, document or plans, and does not represent COG's agreement that such action is consistent with Applicable Laws and, if the requested action is the submission of an application, does not represent COG's determination of the validity or adequacy of any portion of the application. COG's approval shall not be deemed to be a representation or warranty by COG as to the adequacy or accuracy of any document or plans or that the construction in accordance with such plans are in compliance with Applicable Laws, structurally safe or sound, or adequate for Developer's use. In no event will COG be liable, under any theory of recovery, for any costs, damages, claims, expenses, or other losses incurred by Developer, including but not limited to any increased costs of design or construction resulting from COG's review or, if applicable, disapproval of any proposed Developer Plans or any changes to the Approved Developer Plans.

1.3 **Initial Approval of COG Plans**.

(a) All site plans, construction drawings, and plans and specifications for the COG Improvements shall be prepared by insured architecture and engineering firms registered and licensed in the State of Texas. As of the date hereof, the Approved COG Designs referenced on **Exhibit "E-1"** attached hereto have been reviewed and approved by Developer. To the extent there are any material changes or additions to schematic design documents and/or amendments to those referenced in **Exhibit "E-1"** attached hereto, then COG shall provide Developer with copies of such additional and/or amended schematic design documents for review and approval in accordance with Section 1.4 below.

(b) Within ninety (90) days after the Effective Date, COG will provide Developer with copies of the site development plan for the COG Improvements, and plans and specifications sufficient to review the exterior portions of the COG Building Improvements (and inclusive of landscaping and any other exterior improvements located on the COG Property) to the extent the Approved COG Designs of the exterior portions of the COG Building Improvements have been materially changed, the Retail Premises Requirements, and the Parking Improvements (collectively, the "***COG Plans***"), which COG Plans shall be sufficient for the commencement of construction following approval by Developer. Developer shall review the proposed COG Plans and, within thirty (30) days of Developer's receipt of same, either (i) approve such proposed COG Plans in writing, which approval shall not be unreasonably withheld; or (ii) disapprove such proposed COG Plans and, within the same thirty (30) day period, provide COG with written notice of such disapproval, specifying the basis for such disapproval by reference to a specific obligation within a Governing Document.

(c) If Developer disapproves of the proposed COG Plans, COG shall revise such proposed COG Plans accordingly and resubmit the revised COG Plans to Developer within thirty (30) days following the date of Developer's written notice of disapproval. Such procedure for notice of approval or disapproval shall be repeated with respect to any revisions to the proposed COG Plans until the COG Plans are approved, with each of Developer and COG acting reasonably and in good faith. When the COG Plans are approved by Developer, they will be the "***Approved COG Plans***", and any changes, amendments, or revisions to the Approved COG Plans allowed

pursuant to Section 2.3 or approved by Developer in accordance with Section 1.4 below shall be deemed a part of the Approved COG Plans from and after such approval.

(d) All rights of Developer to review, comment upon, approve, inspect or take any other action with respect to the COG Property and COG Improvements, or the design or construction of any COG Improvements, or any other matter, or Developer's waiver of its approval rights or its election not to review, comment upon, or inspect any of the foregoing, are specifically for the benefit of Developer and no other party. Developer neither has nor assumes any liability, responsibility or obligation for, in connection with, or with respect to, any such approvals, waivers or elections. Furthermore, no review, comment, approval or inspection or similar actions, waivers or elections required or permitted by, of, or to Developer hereunder, or actions or omissions of Developer, or other circumstances shall give or be deemed to give Developer any such liability, responsibility or obligation. In the event Developer grants its approval, such approval is merely Developer's consent to the requested action, document or plans, and does not represent Developer's agreement that such action is consistent with Applicable Laws and, if the requested action is the submission of an application, does not represent Developer's determination of the validity or adequacy of any portion of the application. Developer's approval shall not be deemed to be a representation or warranty by Developer as to the adequacy or accuracy of any document or plans or that the construction in accordance with such plans are in compliance with Applicable Laws, structurally safe or sound, or adequate for COG's use. In no event will Developer be liable, under any theory of recovery, for any costs, damages, claims, expenses, or other losses incurred by COG, including but not limited to any increased costs of design or construction resulting from Developer's review or, if applicable, disapproval of any proposed COG Plans or any changes to the Approved COG Plans.

1.4 **Approval Procedure for Change Orders and Other Matters**. Except as otherwise set forth in Section 1.2 above with respect to the initial review and approval of the Approved Developer Plans and Section 1.3 above with respect to the initial review and approval of the Approved COG Plans, any other approval of any drawings, plans, specifications, or schedule or any other matter necessary to accomplish any purpose under this Agreement which either Party hereto requires from the other Party shall be made in accordance with the following procedure:

(a) The requesting Party (the "***Requesting Party***") shall provide written notification to the other Party (the "***Non-Requesting Party***") of the need and timing for the drawings, plans and specifications, schedule, documents or any other matter, as applicable. Such notice shall be accompanied by materials reasonably sufficient to explain and depict the request being made.

(b) Upon receipt of any such notice and materials, the Non-Requesting Party shall be entitled to review and confirm the matters which are the subject of the notice. If the Non-Requesting Party approves the request, the Parties shall reasonably cooperate to effect the requested matter in a timely manner taking into account the schedules and requirements of the Parties hereto and any other parties to the matter. The Non-Requesting Party agrees that it shall not unreasonably withhold, condition, or delay its approval of any reasonable request which is in compliance with the terms of this Agreement. The Non-Requesting Party shall approve or disapprove an initial request in writing within ten (10) business days after receipt of such request. Any disapproval of a request shall include a statement specifying the reasonable reasons therefor.

(c) If the Non-Requesting Party objects to the request, the Non-Requesting Party shall promptly notify the Requesting Party of the objection. The Parties shall then diligently

work to resolve the objection. Regardless of the existence of an objection or disapproval, to the maximum extent possible all work which is not related to the objection shall continue during resolution of the dispute.

1.5 **Costs of Construction**. As used in this Agreement, "***Costs of Construction***" means all costs and expenses associated therewith, including engineering costs, design costs, permitting costs, costs of fiscal (if any), and actual construction costs.

(a) Developer Costs of Construction. Developer is solely responsible for all Costs of Construction related to the Developer Improvements and the Developer Work. The foregoing in no way limits or precludes Developer's right to seek reimbursement from, or to share in the Costs of Construction with, the Georgetown Transportation Enhancement Corporation for the Developer Improvements (or respective portion thereof) pursuant to the terms and provisions of the Performance Agreement, which permits Developer to seek up to $8,500,000 in reimbursement for such Costs of Construction.

(b) COG Costs of Construction. Except as provided in Section 1.08(b) below, COG is solely responsible for all Costs of Construction related to the COG Improvements and the COG Work.

1.6 **Work**.

(a) Developer Work. The engineering, design, permitting, construction and completion of the Developer Improvements may be referred to herein as the "***Developer Work***". Developer will be responsible for the management and oversight of all of the Developer Work in accordance with this Agreement. Developer shall have the right, without COG's consent, to assign its obligation to manage and oversee all of the Developer Work to Banbury, LLC, a Texas limited liability company f/k/a Arterra, LLC ("***Banbury***"), or such other development manager selected by Developer, in its sole and absolute discretion, provided that Developer shall not be released from the obligations and liabilities of Developer under and in connection with this Agreement. Developer shall provide COG with updates of the status of the Developer Work in accordance with the Constructions Methods (as hereinafter defined), and upon written request from COG.

(b) COG Work. The engineering, design, permitting, construction and completion of the COG Improvements may be referred to herein as the "***COG Work***". COG will be responsible for the management and oversight of all of the COG Work in accordance with this Agreement. COG shall provide Developer with updates of the status of the COG Work in accordance with the Constructions Methods, and upon written request from Developer.

1.7 **Permits**.

(a) Developer Permits. Developer has obtained, has caused to be obtained, or will obtain or cause to be obtained, prior to the necessity therefor, the permits and approvals required under Applicable Laws and necessary to construct the Developer Improvements, inclusive of any permit (the "***Oncor Permit***") needed by Oncor Electric ("***Oncor***") allowing for the relocation of overhead electric lines (the "***OHE Relocation Work***") by Oncor (collectively, the "***Developer Permits***"). COG will reasonably cooperate with Developer in obtaining and maintaining any necessary Developer Permits; provided, however, that COG shall not be obligated to incur any material out-of-pocket costs or expenses in providing such cooperation.

(b) COG Permits. To the extent applicable, COG has obtained, has caused to be obtained, or will obtain or cause to be obtained, prior to the necessity therefor, the permits and

approvals required under Applicable Laws and necessary to construct the COG Improvements (the "***COG Permits***"). Developer will reasonably cooperate with COG in obtaining and maintaining any necessary COG Permits; provided, however, that Developer shall not be obligated to incur any material out-of-pocket costs or expenses in providing such cooperation.

1.8 **Construction Contracts**.

(a) Developer Construction Contract. COG agrees that Developer may select, in its sole and absolute discretion, the contractor and enter into a construction contract for the Developer Work, so long as any such contractor is reputable, licensed to do business in accordance with Applicable Law, and has experience in performing the work contemplated to be performed by such contractor under the construction contract. Developer, in its sole and absolute discretion, may enter into separate construction contracts for the construction of the Developer Improvements.

(b) COG Construction Contract. Developer agrees that COG may select, in its sole and absolute discretion, the contractor and enter into a construction contract for the COG Work, so long as any such contractor is reputable, licensed to do business in accordance with Applicable Law, and has experience in performing the work contemplated to be performed by such contractor under the construction contract. COG, in its sole and absolute discretion, may enter into separate construction contracts for the construction of the COG Improvements. Prior to the commencement of construction of the COG Improvements, COG shall deliver to Developer (i) a copy of the signed construction contract between COG and the general contractor for the construction of the COG Improvements, (ii) proof of insurance coverage as required by this Agreement (including, without limitation, with respect to the required contractor insurance as provided therein), and (iii) if requested by Developer, require that its contractor obtain a payment and performance bond naming Developer as an additional obligee, and shall deliver to Developer a copy of such bond. To the extent Developer requests that COG's contractor obtain a payment and performance bond and there is additional cost to include Developer as an additional obligee on the payment and performance bond, said cost shall be reimbursed by the Developer to COG.

## Article II
## CONSTRUCTION PROVISIONS

2.1 **Developer Construction Obligations**.

(a) Construction Standards. Developer shall prosecute the construction of the Developer Improvements in a good and workmanlike manner in accordance with the terms of this Agreement, including, without limitation, the Approved Developer Plans, the Approved Developer Schedule, the Developer Permits, all Applicable Laws, and the construction methods set forth on **Exhibit "I"** attached hereto and incorporated herewith (the "***Construction Methods***").

(b) Commencement of Construction. Developer shall commence construction of the Developer Improvements within sixty (60) days after receipt of the Approved Developer Plans and the issuance of the Developer Permits (the "***Developer Commencement Deadline***"), subject to Excusable Delays. After commencement of construction, Developer shall use commercially reasonably efforts to pursue and prosecute the Developer Work in accordance with the Approved Developer Schedule.

(c) Clearing, Grading, and Access Completion Deadline. Developer shall use commercially reasonable efforts to complete the Clearing, Grading, and Access Work in accordance with the Approved Developer Plans within eighty-one (81) days after the Developer

Commencement Deadline (the "***Clearing, Grading and Access Completion Deadline***"); provided that in no event shall the Clearing, Grading and Access Completion Deadline be deemed to have occurred at any time prior to twenty-six (26) weeks following Oncor's receipt of the Oncor Permit and any easements necessary for the performance of the OHE Relocation Work, subject in all instances to Excusable Delays.

(d) Drainage Parking Improvements Deadline. Developer shall use commercially reasonable efforts to complete the Drainage Parking Improvements in accordance with the Approved Developer Plans within one hundred forty-four (144) days after the Developer Commencement Deadline (the "***Drainage Parking Infrastructure Completion Deadline***"), subject to Excusable Delays.

(e) Utility Infrastructure Completion Deadline. Developer shall use commercially reasonable efforts to complete the Utility Infrastructure in accordance with the Approved Developer Plans within four hundred thirty-five (435) days after the Developer Commencement Deadline (the "***Utility Infrastructure Completion Deadline***"), subject to Excusable Delays. Notwithstanding the foregoing, Developer shall use commercially reasonable efforts to complete the installation of the Temporary Water Source no later than seventy-five (75) days following the date that COG has mobilized its contractor on the COG Property (the "***Outside Temporary Water Source Deadline***"), subject to Excusable Delays.

(f) Developer Improvements Completion Deadline. Except as otherwise set forth above in Sections 2.1(c), 2.1(d), and 2.1(e), Developer shall use commercially reasonable efforts to cause the completion of all remaining Developer Improvements in accordance with this Agreement no later than five hundred forty (540) days after the Developer Commencement Deadline (the "***Developer Completion Deadline***"), subject to Excusable Delays.

(g) Completion of Developer Improvements. For purposes of hereof, unless otherwise expressly agreed to in a writing signed by the Parties, the date (the "***Developer Completion Date***") of Developer's completion of the Developer Improvements (or respective portion thereof), in each instance, shall be deemed to have occurred when: (1) COG receives a certification, signed by Developer's engineer, certifying to COG that the Developer Improvements (or respective portion thereof), in each instance, have been substantially completed in accordance with the Approved Developer Plans; and (2) COG has inspected the Developer Improvements (or respective portion thereof) and confirmed that the Developer Improvements have been substantially completed in accordance with the Approved Developer Plans. Upon the completion of the Developer Improvements (or respective portion thereof), Developer shall give notice to COG that such Developer Improvements (or respective portion thereof) are complete, and such notice shall include a certification, signed by Developer's engineer, certifying to COG that the Developer Improvements (or respective portion thereof) have been substantially completed in accordance with the Approved Developer Plans. Within ten (10) business days after receipt of such notice, Developer and COG shall schedule an inspection of the Developer Improvements (or portion thereof), such inspection to occur within thirty (30) days of receipt of such notice, and COG may make any good faith objections thereto by providing written notice of such objections, specifying the basis for such objection by reference to a specific obligation within a Governing document within ten (10) days of the inspection, in which event Developer shall promptly (in all events within thirty [30] days of receipt of the written objections) cause any such objections to be cured or corrected subject to inspection and approval by COG pursuant to the process described herein. If no written objections are made or all objections are satisfied after COG's inspection and approval, the Developer Improvements (or portion thereof, as applicable), shall be deemed

substantially completed in accordance with the Approved Developer Plans, the Developer Permits, and Applicable Laws.

(h) Repair of Damage. Developer shall use commercially reasonable efforts to notify COG promptly if Developer has actual knowledge of, or is made aware of, any damage to or destruction of any property owned by COG or located on the COG Property or the Parking Area arising out of the performance of or otherwise related to the Developer Work. Developer will promptly repair, at its sole cost and expense, any and all damage to any of the COG Property or the Parking Area caused by the acts or omissions of Developer or any party acting on behalf of Developer in connection with the construction of the Developer Improvements. If Developer fails to perform any such repair work, COG shall have the self-help remedy set forth in Section 2.1(i)(iii) below.

(i) Late Commencement and Completion Remedies in favor of COG. Subject to Excusable Delays, if Developer fails to commence construction of the Developer Improvements by the Developer Commencement Deadline or the Developer Improvements (or respective portion thereof) are not substantially completed by the applicable Developer Completion Deadline, then COG shall have the following additional remedies available to it after any applicable notice and cure period, subject to the limitations provided below:

(i) Extension. After giving Developer advance written notice of its intentions, to give Developer additional time beyond the original Developer Commencement Deadline or applicable Developer Completion Deadline, as applicable, in which event COG's remedies set forth in this Agreement below shall be preserved pending the substantial completion of the Developer Work (or applicable portion thereof).

(ii) Liquidated Damages. Subject in all instances to Excusable Delays, Developer shall pay to COG, as liquidated damages ("***Liquidated Damages***"), $1,000.00 per day (payable on a monthly basis and prorated for any partial month), as applicable and as follows:

(1) commencing on the first day following the Developer Commencement Deadline if Developer fails to commence construction of the Developer Improvements by the Developer Commencement Deadline, and continuing until the date that Developer commences construction of the Developer Improvements;

(2) commencing on the first day following the Clearing, Grading, and Access Completion Deadline if Developer fails to substantially complete the Clearing, Grading, and Access Work by the Clearing, Grading, and Access Completion Deadline, and continuing until the date that Developer substantially completes the Clearing, Grading, and Access Work;

(3) commencing on the first day following the Outside Temporary Water Source Deadline if Developer fails to complete the Temporary Water Source by the Outside Temporary Water Source Deadline, and continuing until the date that Developer completes the Temporary Water Source; provided that in no event shall Developer be subject to Liquidated Damages under this provision if: (A) Developer has timely

submitted applications for all Developer Permits that are specifically required for the Temporary Water Source on or before thirty (30) days following the date that Developer has issued its notice to proceed to its contractor and is diligently pursing such Developer Permits but, despite such diligent efforts, has not yet received the Developer Permits specifically required for the Temporary Water Source, and/or (B) if, despite having obtained the required Developer Permits for the Temporary Water Source, Developer is prevented from performing such work because COG has not yet obtained the required COG Permits (if any) that are necessary for the performance of such work.

(4) commencing on the first day following the Developer Completion Deadline if Developer fails to substantially complete the Developer Improvements by the Developer Completion Deadline, and continuing until the date that Developer achieves substantial completion of the Developer Improvements.

No notice from COG shall be required as a condition to Developer's obligation to pay such Liquidated Damages. Developer and COG expressly agree that the damages COG would sustain as a result of Developer's failure to commence the Developer Improvements by the Developer Commencement Deadline, achieve completion of the Clearing, Grading, and Access Work on or before the Clearing, Grading, and Access Completion Deadline, or achieve substantial completion of the Developer Improvements on or before the Developer Completion Deadline would be difficult to quantify, and the amount of Liquidated Damages is a reasonable approximation thereof and is not intended as a penalty.

(iii) Self-Help. After the expiration of the applicable notice and cure period set forth in Section 4.2 below, COG may enter upon the Developer Property (and shall have a temporary construction easement as may be reasonably necessary), to complete, at Developer's expense, any incomplete item(s) of the Developer Work and seek reimbursement of all actual, documented out-of-pocket costs thereof, including reasonable overhead (not to exceed ten percent (10%)), within thirty (30) days after the date of Developer's receipt of COG's written demand therefor. At the time Developer enters into any contract for the performance of the Developer Work, Developer shall cause Developer's contractor(s) to consent to the assignment of such contract(s) to COG if the circumstances described in this Section occur and, if such circumstances do occur and COG chooses the remedy described above, such contract(s) shall be assigned to COG upon Developer's receipt of written notice of such election from COG.

2.2 **COG Construction Obligations**.

(a) Construction Standards. COG shall prosecute the construction of the COG Improvements in a good and workmanlike manner in accordance with the terms of this Agreement, including, without limitation, the Approved COG Plans, the Approved COG Schedule, the COG Permits (if any), the CC&Rs, all Applicable Laws, and the Construction Methods.

(b) Commencement of Construction. COG shall commence construction of the COG Improvements within ninety (90) days after the completion of the Clearing, Grading, and Access Work and the issuance of the COG Permits (the "***COG Commencement Deadline***"), subject to Excusable Delays. After commencement of construction, COG shall use commercially

reasonable efforts to pursue and prosecute the COG Work in accordance with the Approved COG Schedule.

(c) COG Completion Deadline. COG shall use commercially reasonable efforts to cause the substantial completion of the COG Improvements in accordance with this Agreement no later than eighteen (18) months after the earlier of: (i) the date that COG actually commences construction of the COG Improvements, or (ii) the COG Commencement Deadline (the "***COG Completion Deadline***"), subject to Excusable Delays.

(d) Completion and Inspection. Upon the completion of the COG Improvements, COG shall give notice to Developer that such COG Improvements are complete, and such notice shall include a certification, signed by COG's architect, certifying to Developer that the COG Improvements have been substantially completed in accordance with the Approved COG Plans. Within ten (10) business days after receipt of such notice, Developer and COG shall schedule an inspection of the exterior of the COG Building, the Ground Floor Retail Premises, and the Parking Improvements, such inspection to occur within thirty (30) days of receipt of such notice, and Developer may make any good faith objections thereto by providing written notice of such objections, specifying the basis for such objection by reference to a specific obligation within a Governing Document within ten (10) business days of the inspection, in which event COG shall promptly (in all events within thirty [30] days of receipt of the written objections) cause any such objections to be cured or corrected subject to inspection and approval by Developer pursuant to the process described herein. If no written objections are made or all objections are satisfied after Developer's inspection and approval, the COG Improvements, as applicable, shall be deemed substantially completed in accordance with the Approved COG Plans, the COG Permits (if applicable), CC&Rs, and Applicable Laws upon the issuance of a "final" certificate of occupancy (or any equivalent thereof) for the COG Improvements.

(e) Post-Completion Obligations.

(i) Plans and Specifications. No later than thirty (30) days following substantial completion of the Parking Improvements, COG will provide to Developer copies of all construction drawings, plans and specifications, amendments, and other plans and specifications of the Parking Improvements, and a complete set of "as built" plans of the Parking Improvements. COG will also provide to Developer copies of any warranties for the Parking Improvements. With regards to the COG Building Improvements, COG will provide Developer copies of the construction drawings, plans and specifications, and other plans and specifications only to the extent such information is publicly available and does not need contain information related to critical infrastructure.

(ii) Abstractor's Certificate. COG shall be fully responsible for the COG Improvements constructed on the COG Property and Parking Area and all costs associated with same, and COG shall timely pay all suppliers, professionals, and contractors. Upon completion of the COG Improvements, COG shall deliver to Developer a current abstractor's certificate or similar documentation from an acceptable title company (such as an ownership and lien search) showing no liens or claims for same with respect to the COG Property and Parking Area. Such abstractor's certificate or lien search shall be updated one hundred twenty (120) days following completion of the COG Improvements and delivered to Developer at COG's expense.

(iii) Liens. COG represents and warrants that the execution and filing of

record of an affidavit of completion which complies with Section 53.106 of the Texas Property Code (or any successor statute) is not standard practice or a necessity for a home-rule municipality, such as COG, since such entities are immune from mechanic and materialmen lien actions. Accordingly, COG is not required to provide an affidavit of completion or partial or final lien waivers from its contractors. Notwithstanding the foregoing, in the event that any lien or claim of lien shall be filed or asserted against the COG Property and/or Parking Area in connection with any of the foregoing, COG shall cause same to be released of record (by bonding or payment) within thirty (30) days after the filing or assertion thereof.

(iv) Warranties. Following completion of the COG Work in accordance with this Agreement, and to the extent any guaranties and warranties remain in effect with respect to all or any portion of the Parking Improvements at the time that maintenance obligations on such Parking Improvements transfers to Developer (or its designee) in accordance with the Parking Easement, then in such event COG shall assign and transfer to Developer (or its designee), COG's right, title and interest, if any, in, to and under any and all guaranties and warranties then in effect with respect to all or any portion of the Parking Improvements, to the extent such guaranties and warranties are assignable.

(v) Survival. This Section 2.2(e) shall survive expiration or earlier termination of this Agreement.

(f) Repair of Damage. COG shall use commercially reasonable efforts to notify Developer promptly if COG has actual knowledge of, or is made aware of, any damage to or destruction of any property owned by Developer or located on the Developer Property arising out of the performance of or otherwise related to the COG Work. COG will promptly repair, at its sole cost and expense, any and all damage to any of the Developer Property caused by the acts or omissions of COG or any party acting on behalf of COG in connection with the construction, use, operation, maintenance and repair of the COG Improvements and COG Property. If COG fails to perform any such repair work, Developer shall have the self-help remedy set forth in Section 2.2(g)(ii) below.

(g) Late Commencement and Completion Remedies in favor of Developer. Subject to Excusable Delays, if COG fails to commence construction of the COG Improvements by the COG Commencement Deadline or the COG Improvements (or respective portion thereof) are not substantially completed by the COG Completion Deadline, then Developer shall have the following additional remedies available to it after any applicable notice and cure period, subject to the limitations provided below:

(i) Extension. After giving COG advance written notice of its intentions, to give COG additional time beyond the original COG Commencement Deadline or COG Completion Deadline, as applicable, in which event Developer's remedies set forth in this Agreement below shall be preserved pending the substantial completion of the COG Work (or applicable portion thereof).

(ii) Self-Help. After the expiration of the applicable notice and cure period set forth in Section 4.2 below, Developer may enter upon the COG Property (and shall have a temporary construction easement as may be reasonably necessary) and Parking Area, to complete, at COG's expense, any incomplete item(s) of the COG Work and seek reimbursement of all actual, documented out-of-pocket costs thereof, including reasonable

overhead (not to exceed ten percent (10%)), within thirty (30) days after the date of COG's receipt of Developer's written demand therefor. At the time COG enters into any contract for the performance of the COG Work, COG shall cause COG's contractor(s) to consent to the assignment of such contract(s) to Developer if the circumstances described in this Section occur and, if such circumstances do occur and Developer chooses the remedy described above, such contract(s) shall be assigned to Developer upon COG's receipt of written notice of such election from Developer. This remedy is limited to delays related to the Parking Improvements only. In no event shall Developer have the remedy of "self-help" as it relates to the COG Building Improvements.

(iii) Liquidated Damages. Subject in all instances to Excusable Delays, COG shall pay to Developer, as liquidated damages ("***Liquidated Damages***"), $1,000.00 per day (payable on a monthly basis and prorated for any partial month) commencing on the first day following the COG Commencement Deadline or the COG Completion Deadline, as applicable, and continuing until the date that COG commences construction or achieves substantial completion of the COG Improvements, as applicable, and no notice from Developer shall be required as a condition to COG's obligation to pay such Liquidated Damages. Developer and COG expressly agree that the damages Developer would sustain as a result of COG's failure to commence the COG Improvements by the COG Commencement Deadline or achieve substantial completion of the COG Improvements on or before the COG Completion Deadline would be difficult to quantify, and the amount of Liquidated Damages is a reasonable approximation thereof and is not intended as a penalty.

2.3 **Change Orders**.

(a) Developer Change Orders. Developer shall have the right to authorize change orders with respect to the Approved Developer Plans and Approved Developer Schedule without the approval of COG if such change order is the result of any change to the Developer Improvements required by a Governmental Authority with jurisdiction over the Developer Improvements. In addition to the foregoing, Developer shall have the right to authorize change orders with respect to the Approved Developer Plans and Approved Developer Schedule without the approval of COG, provided that such change order will not (i) materially change the Approved Developer Plans, (ii) involve work on the COG Property or Parking Area, or (iii) cause a material delay in the Developer Commencement Deadline, Developer Completion Deadline, the Clearing, Grading and Access Completion Deadline, the Utility Infrastructure Deadline, or the Parking Drainage Improvements. Developer may implement such change orders without COG's approval, provided that Developer will give COG notice of such change order promptly upon the determination of such change order. Except as otherwise provided herein, all other change orders involving the Developer Work shall require the prior written approval of COG in accordance with Section 1.4 above.

(b) COG Change Orders. COG shall have the right to authorize change orders with respect to the Approved COG Plans and Approved COG Schedule without the approval of Developer if such change order is the result of any change to the COG Improvements required by a Governmental Authority with jurisdiction over the COG Improvements. In addition to the foregoing, COG shall have the right to authorize change orders with respect to the Approved COG Plans and Approved COG Schedule without the approval of the Developer provided that such change order will not (i) materially change the Approved COG Plans, (ii) involve work on the Developer Property, other than work in the Parking Area or other Easements or rights-of-way

immediately adjacent to the COG Property, or (iii) cause a delay in the COG Commencement Deadline or COG Completion Deadline by more than one hundred twenty (120) days. COG may implement such change orders without Developer's approval, provided that COG will give Developer notice of such change order promptly upon the determination of such change order. Except as otherwise provided herein, all other change orders involving the COG Work shall require the prior written approval of Developer in accordance with Section 1.4 above.

(c) Notice and Approval Process. If either Party is required to seek the approval of the other Party with respect to a change order, such Party shall promptly give the other Party prior written notice of any such change orders which shall thereafter be reviewed and approved or disapproved, as applicable, in accordance with Section 1.4 above.

2.4 **Construction Coordination**. Each of the Parties acknowledges and agrees that they will be performing work at the same time as the other Party may be performing work within the Developer Property and COG Property, respectively. Accordingly, each Party shall require its general contractor to coordinate with the other Party's general contractor regarding all construction activities on the Developer Property and COG Property, respectively, including but not limited to: construction schedules and timelines; site access and staging areas; delivery schedules for materials and equipment; utility connections and service interruptions; safety protocols and emergency procedures; and any other matters that may affect the progress of each Party's construction of their respective work. Each Party hereby designates a construction coordinator who shall serve as the primary point of contact for coordination matters: Developer's construction coordinators shall be Banbury's Sr. Vice President of Horizontal Construction (Carl Paulson) and COG's construction coordinator shall be the City of Georgetown's Public Works CIP Manager. Developer and COG shall each, respectively, have the right to replace their designated construction coordinator by written notice to the other Party. The construction coordinators shall meet periodically during active construction periods to address coordination issues. In addition to the foregoing, prior notice of at least seven (7) days shall be required for the following: (1) any Developer Work occurring through the COG Property or Parking Area after COG's commencement of construction of the COG Improvements, (2) any Developer Work occurring directly adjacent to the COG Property after COG's commencement of construction of the COG Improvements, and (3) any COG Work through the Developer Property, other than COG Work in the COG Property, Temporary Construction Easement, or Parking Area. Each of the Parties covenants and agrees to use commercially reasonable efforts to avoid unreasonably delaying or interfering with the performance of work by the other and to cause their respective contractors to coordinate their construction efforts to such end. Any unreasonable delay caused by the other Party with respect to completion of work shall serve to extend the respective completion deadline(s) on a day for day basis.

## Article III
## OTHER COVENANTS AND AGREEMENTS

3.1 **Deed**. As of the Effective Date, Developer will grant and convey to COG the COG Property in the location set forth in **Exhibit "B-1"** attached hereto, pursuant to the Deed in the form attached hereto as **Exhibit "B-2"** for recording in the Official Public Records of Williamson County, Texas. Developer and COG agree that the conveyance of the COG Property to COG is conditioned upon terms, provisions and conditions set forth in the Deed as fee simple subject to conditions subsequent that if not satisfied, or in the case of an ongoing condition at any time such condition is no longer true or correct, will trigger the Reversionary Right.

3.2 **Parking Easement**. As of the Effective Date, Developer will grant and convey the Parking Easement for recording in the Official Public Records of Williamson County, Texas, in the form attached hereto as **Exhibit "C-2"**, and in the location set forth in **Exhibit "C-1"** attached hereto. On or before six (6) months prior to the expiration of the Ownership Term, or in the event of an earlier termination of such Ownership Term due to a Reversionary Right in favor of Developer, then no later than three (3) business days following such earlier date of termination, COG shall, without charge to Developer, promptly execute, acknowledge and deliver to Developer a release of the Parking Easement (in the form attached as an exhibit to the Parking Easement) dated effective as of the termination date, which release may be recorded by Developer in the real property records of Williamson County, Texas. Notwithstanding anything set forth in this Agreement to the contrary, upon completion of the Parking Improvements, all Parking Improvements located within the Parking Area shall be the property of Developer. Developer may from time to time replace the Parking Improvements, provided that the replacements for such items are of equivalent or better value and quality and within similar proximity to the COG Property. Developer and COG acknowledge that the Parking Area is subject to, or will be made subject to, the CC&Rs (subject to the ARG, as defined in Section 3.7 below) and Developer retains all rights as Declarant pertaining to the Parking Area under the CC&Rs (except as modified by and subject to the ARG), including without limitation the right to enter into one or more declarations of reciprocal easements, restrictions, shared parking agreements, and parking licenses affecting the Parking Area, and further including the right to transfer the Parking Area to any property owners association established pursuant to the CC&Rs to oversee the ownership, maintenance and/or operation of common areas for the Developer Property. Developer and COG further acknowledge that Developer shall have the right from time to time to plat and re-plat the Parking Area. The terms of this Section 3.2 shall survive expiration or earlier termination of this Agreement and may be included in the Parking Easement recorded in the real property records.

3.3 **Temporary Construction Easement; Wastewater Easement**.

(a) Temporary Construction Easement. As of the Effective Date, Developer will grant and convey the Temporary Construction Easement for recording in the Official Public Records of Williamson County, Texas, in the form attached hereto as **Exhibit "D-2"**, and in the location set forth in **Exhibit "D-1"** attached hereto. Concurrently with the execution of the Temporary Construction Easement, COG shall also, without charge to Developer, promptly execute, acknowledge and deliver to Developer the Release of the Temporary Construction Easement, in the form attached hereto as **Exhibit "D-3"**, which Release shall be held in trust by Developer until such time as substantial completion of the COG Improvements has occurred, at which time Developer may record the Release in the real property records of Williamson County, Texas. In addition, if any easements that are not otherwise contemplated in this Agreement are required for the construction of the Developer Improvements or COG Improvements, then each Party hereby agrees to grant, respectively, such easements upon the reasonable request by the other Party, subject to (i) the other Party's approval of the location of such easements, in such other Party's sole discretion, and (ii) the other Party's approval of the form of such easements, in such other Party's reasonable discretion; provided that such other Party does not incur any material out-of-pocket cost or expense.

(b) Wastewater Easement. As of the Effective Date, Developer will grant and convey to COG the Wastewater Easement for recording in the Official Public Records of Williamson County, Texas, in the form attached hereto as **Exhibit "D-5"**, and in the location set forth in **Exhibit "D-4"** attached hereto; provided that, notwithstanding the foregoing, no later than

ninety (90) days following the Effective Date hereof, COG and Developer will continue to work together in good faith to further review and finalize the alignment and location of the Wastewater Easement to maximize the development potential of the Project. Any changes to the location mutually agreed upon by the parties on or before such 90-day period will be incorporated into the Wastewater Easement prior to the recordation thereof in the Official Public Records, but if no such changes are agreed upon, then the Wastewater Easement will be recorded with the legal description attached hereto as **Exhibit "D-4"**. COG shall be responsible for all costs and expenses associated with the preparation of the Wastewater Easement including any surveying, legal description preparation and title examination and recording costs. COG shall design and construct the interceptor and force main known as the "Gabriel Interceptor and Force Main" (the "***Wastewater Line***") within the Wastewater Easement Area with sufficient capacity to serve Developer's development of the Developer Property. Construction of the Wastewater Line shall be completed by COG no later than December 31, 2030 (the "***Wastewater Completion Deadline***"). COG shall perform all construction in a good and workmanlike manner and in compliance with all applicable laws, codes, regulations, and permits. In connection with the construction of the Wastewater Line, Developer shall grant to COG a temporary construction easement one hundred (100) feet in width, adjacent to the Wastewater Easement Area, to facilitate COG's construction activities (the "***Wastewater Temporary Construction Easement***"). The Wastewater Temporary Construction Easement shall automatically terminate upon the earlier of (i) the completion of construction of the Wastewater Line and COG's restoration of the surface of the Wastewater Temporary Construction Easement area to substantially its condition prior to construction, or (ii) ninety (90) days after the Wastewater Completion Deadline. Upon termination of the Wastewater Temporary Construction Easement, COG shall have no further right, title, or interest in the Wastewater Temporary Construction Easement area, except as provided in the Wastewater Easement. The City shall restore all areas disturbed by construction, including the Wastewater Temporary Construction Easement area, to substantially their pre-construction condition within a reasonable time following completion of construction. Developer shall not be required to dedicate or convey fee title to any portion of the Developer Property in connection with the granting of the Wastewater Easement or the Wastewater Temporary Construction Easement.

3.4 **Ownership Term**. The conveyance of the COG Property by Developer to COG shall terminate, and title to the COG Property shall automatically revert to Developer on that date that is ninety-nine (99) years following the recordation date of the Deed (the "***Expiration Date***"), subject to the Reversionary Right in favor of Developer as set forth in the Deed and the termination rights set forth in Section 5.7 below.

3.5 **Covenant to Construct, Open and Operate**. Subject to Excusable Delays, COG covenants and agrees to: (i) commence, prosecute and substantially complete the construction of the COG Improvements in accordance with this Agreement on or before the COG Completion Deadline (the "***Covenant to Construct***"); (ii) within two (2) years following the substantial completion of the COG Improvements, open and operate the COG Building in the ordinary course of business during business hours at the COG Property for the Permitted Use (the "***Covenant to Open***"); and (iii) following such opening, keep operating the COG Property for the Permitted Use during the Ownership Term (the "***Covenant to Operate***"). If COG has (a) not commenced, prosecuted and/or substantially completed the construction of the COG Improvements in compliance with the Covenant to Construct, (b) after such completion, not opened for business at the COG Property in compliance with the Covenant to Open, (c) after such opening, not kept occupying and operating the COG Property in compliance with the Covenant to Operate, or (d) after complying with the aforementioned covenants, ceases to occupy and operate at the COG

Property for a period in excess of two (2) years, then, after the expiration of the applicable notice and cure period set forth in Section 4.2 below, Developer shall have the right (but not the obligation) to: (A) exercise the remedies set forth in Section 2.2, (B) terminate this Agreement and exercise the Reversionary Right set forth in the Deed, and/or (C) seek such other rights and remedies as may be available at law or in equity.

3.6 **Permitted Use**. The COG Property and COG Building Improvements located thereon shall at all times during the Ownership Term be used and operated solely for the construction, operation, maintenance, and repair of the COG Building Improvements and for the purposes of operating a professional, non-medical office building and for the purposes of operating the Ground Floor Retail Premises for retail or professional, non-medical office use (the "***Permitted Use***"), and for no other use without Developer's consent, which consent Developer may withhold in its sole and absolute discretion. Any violation of said use restriction, after the expiration of the applicable notice and cure period set forth in Section 4.2 below, will entitle Developer to (A) terminate this Agreement and exercise the Reversionary Right set forth in the Deed, and (B) seek such other rights and remedies as may be available at law or in equity.

3.7 **Governing Documents**. COG shall not do any act, or allow any permitted lessee, sublessee or other user of the COG Property to do any act, and in no event shall the COG Property or Easement Areas be used for any purpose that violates this Agreement, the Deed, the CC&Rs (as affected by that certain Agreement Regarding Governance [560 Master Development] of even date herewith by and between Developer and COG (the "***ARG***")), the Easements, Applicable Law, or any other existing covenant, condition, agreement, easement or other encumbrances then applicable to the COG Property and Easement Areas (collectively, the "***Governing Documents***"). Any violation of this provision, after the expiration of the applicable notice and cure period set forth in Section 4.2 below, will entitle Developer to (A) exercise such rights and remedies as may be set forth in the applicable Governing Document, and (B) seek such other rights and remedies as may be available at law or in equity.

3.8 **Order of Precedence**. If a conflict occurs between this Agreement, the Deed, the Easements, the CC&Rs, and the ARG, the order of precedence shall be: (i) first, the Deed; (ii) second, the Easements; (iii) third, this Agreement; (iv) fourth, the ARG; and (v) fifth, the CC&Rs.

3.9 **Transfer of the COG Property or COG Building Improvements**. COG shall not voluntarily or by operation of law, sell, convey, assign, lease, sublease, encumber, pledge or otherwise transfer or hypothecate its interest in or rights with respect to the COG Property or COG Building Improvements (any of the foregoing being herein referred to as a "***Transfer***") without the prior written consent of Developer, such consent not to be unreasonably withheld. Any unauthorized Transfer of the COG Property or COG Building Improvements shall automatically be void and shall entitle Developer to all rights and remedies as may be available at law or in equity, and shall further entitle Developer, following the applicable notice and cure period set forth in Section 4.2 below, to terminate this Agreement and exercise the Reversionary Right set forth in the Deed. If COG desires to Transfer all or any portion of the COG Property and/or COG Building Improvements, COG shall provide prior written notice to Developer. Developer shall approve or disapprove any proposed Transfer within fifteen (15) business days after receipt of COG's written request for approval, which request shall be deemed complete and delivered only if it (i) identifies the proposed transferee, (ii) includes a copy of the proposed Transfer documentation and all other documents reasonably requested to understand the Transfer, and (iii) includes reasonably detailed information regarding the financial condition of the proposed transferee. Irrespective of whether Developer approves a Transfer or not, the submission by COG of a request to approve a Transfer

shall constitute an agreement by COG to pay to Developer on demand any administrative fees incurred by Developer in evaluating and/or documenting such Transfer. Notwithstanding the foregoing provisions, Developer hereby consents to the Transfer of the Ground Floor Retail Premises to the Georgetown Economic Development Corporation provided that the Transfer is subject to the Governing Documents, including without limitation this Agreement, the Reversionary Rights in favor of the Developer as set forth in the Deed, Developer's Right of First Offer and Right of First Refusal set forth in Section 3.11 below, and Developer's Purchase Option set forth in Section 3.12 below.

3.10 **Lease or Sublease of the COG Property or COG Building Improvements.** Notwithstanding the foregoing provisions of Section 3.9 above regarding Transfers, COG may enter into leases or subleases for spaces located at the COG Property subject to the following conditions:

(a) COG shall obtain the prior written consent of Developer, provided, however, such consent shall not be unreasonably withheld, conditioned or delayed;

(b) no rent paid to COG under any lease or sublease shall be based in whole or in part on the lessee's or sublessee's net income or profits;

(c) no lease or sublease shall relieve COG from the performance of any of its obligations under this Agreement or the Deed;

(d) no lease or sublease shall extend beyond the Expiration Date of the Ownership Term, unless approved by Developer;

(e) each lease or sublease shall be subject to and subordinate to the terms, covenants and conditions of this Agreement and the rights of Developer hereunder, including the use restrictions contained in Section 3.6 above;

(f) each lease or sublease entered into after the Effective Date shall contain a provision that upon any expiration or termination of the Ownership Term, either such lease or sublease shall terminate, or, at Developer's sole option, such lease or sublease shall continue in full force and effect and the lessee or sublessee shall attorn to, or, at Developer's option, enter into a direct lease on identical terms with, Developer;

(g) each lease and sublease shall prohibit prepayment of rent thereunder (except for security for the payment of rent and prepayment of operating expenses) in an amount exceeding two (2) months' rent;

(h) the lessee's or sublessee's proposed use of its space shall be for the Permitted Use and otherwise permitted under the CC&Rs;

(i) the quality of the proposed lessee or sublessee shall be consistent with or higher than the quality of tenants generally occupying the Developer Property and the lessee or sublessee shall demonstrate financial responsibility and resources satisfactory to Developer;

(j) if the lease or sublease is for fifty percent (50%) or more of the square footage of the COG Building Improvements, COG shall have complied with the requirements of Section 3.11 below; and

(k) the lessee shall be in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) and other similar requirements contained in the

rules and regulations of the Office of Foreign Assets Control, Department of the Treasury and in any enabling legislation or other Executive Orders or regulations in respect thereof.

3.11 **Developer's Right of First Offer and Right of First Refusal**.

(a) Right of First Offer. If COG desires to enter into a Transfer, it shall first deliver to Developer a written offer (the "***Offer***") setting forth all the material terms and conditions upon which COG proposes to Transfer its interest and offering to enter into a Transfer with Developer on the same terms and conditions (except that if the terms and conditions include financing, Developer shall have the option to acquire COG's interest for all cash). Developer shall have fifteen (15) business days after receipt in which to accept the Offer by written notice to COG. If Developer does not give COG written notice accepting the Offer within the fifteen (15) business-day period, COG may at any time within the one hundred eighty (180) day period after the expiration of the fifteen (15) business-day period (except that the Transfer Deadline shall be extended for an additional ninety (90) days to the extent COG has entered into a binding contract that is scheduled to close within such ninety (90) day extended period) (the "***Transfer Deadline***") Transfer its interest to a third party without reoffering the interest to Developer, provided that the terms and conditions of such Transfer shall not be "materially more favorable" to the transferee than those set forth in the Offer and shall be subject to the Reversionary Rights of Developer. For purposes hereof, the terms and conditions shall be "materially more favorable" if, taking into account all terms and conditions which would affect the economics of the proposed Transfer, they would have an aggregate economic value to COG that is equal to or lower than ninety-five percent (95%) of the economic value of the original Offer made by COG to Developer. If COG does not enter into a Transfer on or before the Transfer Deadline (as extended, if applicable), but COG still desires to enter into a Transfer, COG shall again deliver to Developer an Offer in accordance with this Section 3.11 (but offering the interest to Developer on the same terms as COG would then be willing to offer to a third party), and Developer shall have the right of first offer for another period of ten (10) business days after receipt of such Offer. This right of first offer shall be ongoing and shall apply to all Transfers proposed at any time during the Ownership Term.

(b) Right of First Refusal. If COG proposes to enter into a Transfer at any time on or before the Transfer Deadline on terms and conditions materially more favorable to the proposed transferee than those contained in the Offer, COG shall again deliver to Developer an Offer in accordance with this Section, offering the interest to Developer on the more favorable terms, and Developer shall have a right of first refusal for fifteen (15) business days after receipt of the better Offer to accept such Offer by written notice to COG. This right of first refusal shall be ongoing and shall apply to all Transfers proposed at any time during the Ownership Term.

(c) Documentation and Closing of Transfer. If Developer accepts an Offer, Developer and COG shall work in good faith to complete a purchase and sale contract, lease, sublease or such other Transfer documentation as may be applicable, together with such other appropriate documentation as may be necessary to effect the Transfer to Developer in accordance with the terms set forth in the Offer, within forty-five (45) days after Developer's written notice of acceptance of the Offer, and to close such Transfer within the time period set forth in the Offer. If Developer accepts such Offer, Developer shall promptly commence and diligently pursue its due diligence investigations in accordance with the terms of the Offer. The Transfer shall be consummated by Developer's payment of the required consideration and COG's delivery to Developer of such documentation provided in the Offer.

3.12 **Purchase Option in favor of Developer**. Provided that an exception to the bidding or auction requirement contained in Chapter 271 of the Local Government Code applies to the sale or transfer of the Ground Floor Retail Premises unit, COG agrees that Developer, its successors, assigns, and/or designees (the "***Optionee***"), shall have the right, but not the obligation, commencing upon the Condominium Recordation Date (as hereinafter defined) and expiring ten (10) years thereafter (the "***Option Term***"), to purchase the Ground Floor Retail Premises unit (the "***Option***") from COG, its successors or assigns (the "***Optionor***") at the Fair Market Value (as determined as provided for herein) of the Ground Floor Retail Premises unit. As used herein, the "***Condominium Recordation Date***" shall mean that date upon which a condominium declaration and plat is recorded in the Official Public Records of Williamson County, Texas, pursuant to which the Ground Floor Retail Premises becomes a condominium unit separate and apart from the remainder of the COG Building.

(a) At any time during the Option Term, Optionee may exercise the Option by sending written notice to Optionor ("***Exercise Notice***") accompanied by the appraisal report, as further described below, and Optionee's executed counterpart of a Purchase and Sale Agreement substantially in the form attached hereto as **Exhibit "N"** (the "***Purchase Agreement***") and setting forth the proposed purchase price, which shall be equal to the Fair Market Value (as determined as provided for herein) of the Ground Floor Retail Premises unit. For purposes of determining the Fair Market Value of the Ground Floor Retail Premises unit, Optionee shall retain the services of a qualified and experienced Certified General Appraiser (being an appraiser that has performed at least fifty (50) commercial real property appraisals in the ten (10) years immediately preceding the Exercise Notice in the Central Texas Region) licensed to practice in the State of Texas to provide a determination to the Parties of the Fair Market Value of the Ground Floor Retail Premises unit. The determination made by such appraiser shall be the "Fair Market Value" of the Ground Floor Retail Premises unit for purposes of the Exercise Notice and this Section 3.12(a)

(b) Optionor shall have thirty (30) days following receipt of the Exercise Notice to notify Optionee, in writing, that either: (A) Optionor accepts the appraiser's determination of the Fair Market Value as determined in accordance with Section 3.12(a) above, in which case Optionor shall be obligated to execute and return the Purchase Agreement that reflects a purchase price equal to the Fair Market Value as determined in accordance with Section 3.12(a), together with such other appropriate documentation as may be necessary to effect the conveyance of the Ground Floor Retail Premises unit to Optionee in accordance with the Purchase Agreement and proceed to close such conveyance within the time period set forth in the Purchase Agreement, or (B) Optionor does not accept the appraiser's determination of the Fair Market Value as determined in accordance with Section 3.12(a) above with explanation as to why such appraiser's determination is being disapproved, in which case, Optionor and Optionee shall attempt to resolve their differences within thirty (30) days after Optionee's receipt of Optionor's disapproval notice. In the event Optionor and Optionee do not resolve their differences regarding the Fair Market Value within such thirty (30) day period, then Optionee may elect by written notice to Optionor (the "***Election Notice***") to either: (i) withdraw the exercise of its Option, or (ii) proceed with the exercise of the Option, in which case the parties shall use the process as set forth in Section 3.12(c) below to determine the Fair Market Value purchase price.

(c) Within ten (10) days after receipt of Optionee's Election Notice, the parties shall agree on a new qualified and experienced Certified General Appraiser (being an appraiser that has performed at least fifty (50) commercial real property appraisals in the ten (10) years immediately preceding the Election Notice in the Central Texas Region) licensed to practice in the

State of Texas acceptable both Parties to determine the Fair Market Value of the Ground Floor Retail Premises unit. Thereafter, Optionor and Optionee shall finalize and execute the Purchase Agreement reflecting a purchase price that will be equal to the highest appraised Fair Market Value as between the appraisal report provided in accordance with Section 3.12(a) above and the appraisal report provided in accordance with this Section 3.12(c), within ten (10) days after receipt of the appraisal report provided in accordance with this Section 3.12(c), together with such other appropriate documentation as may be necessary to effect the conveyance of the Ground Floor Retail Premises unit to Optionee in accordance with the Purchase Agreement and proceed to close such conveyance within the time period set forth in the Purchase Agreement.

3.13 **Impacts on the Developer Property**. COG acknowledges that the COG Property is part of the overall project to the developed on the Developer Property and that the use and operation of the COG Property may reflect on the Developer Property. Therefore, COG shall use commercially reasonable efforts to design, entitle, develop, operate and maintain the COG Property so as to avoid any material negative impact from the appearance of the COG Property or operations at the COG Property on Developer, Developer's Property, and any tenants and/or occupants of the Developer Property. COG shall use commercially reasonable efforts to maintain cooperative relations with Developer and the residential and commercial occupants of neighboring buildings in the vicinity of the COG Property. Such cooperation shall include, as reasonably requested by Developer: (a) sending a representative to community meetings, provided that COG receives reasonable advance notice of such meetings, (b) responding to complaints regarding development efforts and operational issues (e.g., lighting, parking, noise, etc.), (c) designating a representative to handle any issues that may arise concerning the COG Property, and (d) responding to Developer's written notices regarding issues of concern to Developer, COG's neighbors and the Developer Property as a portfolio. This Section 3.13 shall survive expiration or earlier termination of this Agreement.

3.14 **General Covenant of Good Faith**. The Parties agree that they will at all times and in all matters respecting the Developer Work and COG Work, and the development and construction of the Developer Improvements and COG Improvements as described in this Agreement, will deal with each other in good faith, will not unreasonably withhold, condition, or delay consent when needed by any other Party hereto and provided for or required herein, and will execute and deliver any document reasonably needed by any other Party in order to fulfill the purposes of this Agreement, provided that such document is in form satisfactory to the such Party in its reasonable discretion and such Party does not incur additional third party cost, except as otherwise expressly provided herein. In addition to the foregoing, COG will cooperate with Developer to obtain public financing, including Tax Incremental Financing and/or the creation of a Public Improvement District based on terms agreeable to Developer and COG. This Section 3.14 shall survive expiration or earlier termination of this Agreement.

3.15 **Alterations of COG Building Improvements**. Except as otherwise provided in Section 3.15(d) below with respect to Permitted Alterations, COG shall have the right to make Alterations on the COG Property only with the consent of Developer and otherwise subject to the terms and conditions set forth in the CC&Rs. As used herein, ***"Alterations"*** means any new, additional or replacement improvements, alterations, remodeling, or reconstruction of or to the COG Building Improvements during the Ownership Term.

(a) COG shall have the right to make Alterations, provided that any such Alterations are first approved by Developer in accordance with this Section 3.15 and are otherwise in accordance with the Permitted Use. At least thirty (30) days prior to, but not more than forty-

five (45) days prior to, the date COG delivers the preliminary plans and specifications for the Alterations to Developer as described below, COG shall give written notice to Developer that COG will so deliver such preliminary plans and specifications to Developer for review. Provided COG has given to Developer the notice required by the immediately preceding sentence, COG shall deliver to Developer preliminary plans and specifications for the Alterations (on an "as completed" basis) for Developer's approval.

(b) Developer shall review such documentation, plans and specifications, and, within ninety (90) days of Developer's receipt of same, (1) approve them in writing, which approval shall not be unreasonably withheld, or (2) disapprove them and, within the same ninety (90) day period, provide COG written notice of such disapproval, specifying with reasonable particularity the reason(s) for such disapproval. Any review and approval or disapproval (including deemed disapproval) of any plans and specifications for the Alterations shall be solely for the benefit and protection of Developer and may only be relied on by COG (and not any third party) to satisfy COG's obligation to seek Developer's approval and not for any other reason or purpose whatsoever. If Developer has disapproved of COG's proposed plans and specifications for the Alterations and has specified the reasons why, COG shall respond to such changes as it shall deem appropriate and revise such plans and specifications accordingly and resubmit such revised plans and specifications to Developer within thirty (30) days following the date of Developer's written notice of disapproval. Such procedure for notice of disapproval with specific reasons shall be repeated with respect to any revisions to the plans and specifications for such Alterations until such plans and specifications, with each of Developer and COG acting reasonably and in good faith, are approved; provided, however, once approved in writing by Developer, the plans and specifications for such Alterations (as approved by Developer) shall not be modified or amended in any material respect without the prior written consent of Developer, which consent shall not be unreasonably withheld or delayed. Approval by Developer of the plans and specifications for the Alterations shall be deemed to be the acknowledgment and agreement of Developer, for purposes of this Section 3.15(b). When any applicable plans and specifications are approved by Developer, they will be "***Approved Alterations Plans***", and any revisions approved by Developer to the Approved Alterations Plans shall be deemed a part of the Approved Alterations Plans from and after such approval. In the event of any conflict between the Approved Alterations Plans and this Agreement, the Approved Alterations shall govern. Changes to the Approved Alterations Plans during the course of development and construction which are not material changes will not require Developer's prior approval, but COG will promptly provide copies of the changes to the Approved Alterations Plans (and of the associated change orders) to Developer. Material changes to the Approved Alterations Plans, as reasonably determined by COG in its good-faith, commercially reasonable discretion, in consultation with the project architect and engineer, will be subject to Developer's approval, which approval will not be unreasonably withheld or delayed.

(c) Following approval by Developer of the plans and specifications for the Alterations, COG shall commence and thereafter diligently proceed to fully complete, or cause the completion of, the Alterations in accordance with the following: (a) the Approved Alterations Plans approved by Developer in all material respects; (b) in a good and workmanlike manner and in compliance with the Construction Methods; (c) all Applicable Laws; and (d) **all the requirements imposed in Section 2.2(a), (d), (e), and (f)**.

(d) Notwithstanding the foregoing, Developer's consent shall not be required for: (i) all interior improvements or alternations to the COG Building Improvements situated on

the COG Property, and (ii) COG Building Improvements being torn down, razed or removed in connection with the remodeling or renovation of such COG Building Improvements to the extent the contemplated alterations or replacements are consistent in all material respects with the Approved Alterations Plans (collectively, the "***Permitted Alterations***").

3.16 **Insurance**. COG shall obtain and maintain during the Ownership Term, and cause its respective contractors, subcontractors, engineers and design professionals hired to perform any work or professional services in connection with the COG Improvements (each a "***Contractor***") to obtain and maintain, insurance of the types, in the amounts, and in compliance with the requirements as set forth on **Exhibit "J"** attached to this Agreement.

3.17 **INDEMNIFICATION**. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO SECTION 5.8, EACH PARTY (THE "***INDEMNIFYING PARTY***") AGREES TO AND HEREBY DOES INDEMNIFY, DEFEND, AND HOLD HARMLESS THE OTHER PARTY (THE "***INDEMNIFIED PARTY***") AND ITS DIRECT OR INDIRECT OWNERS, SUBSIDIARIES AFFILIATES AND SUCCESSORS AND ASSIGNS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, MEMBERS, MANAGERS, REPRESENTATIVES, AGENTS, EMPLOYEES, CONSULTANTS, ATTORNEYS, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "***INDEMNIFIED PARTIES***") FOR ANY LOSS, DAMAGES, ANY AND ALL LIABILITIES, ACTIONS, DEMANDS, PENALTIES, LOSSES, COSTS, OR EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES AND EXPENSES), SUITS, COSTS OF ANY SETTLEMENT OR JUDGMENT AND CLAIMS OF ANY AND EVERY KIND WHATSOEVER WHICH MAY NOW OR IN THE FUTURE BE PAID, INCURRED OR SUFFERED BY OR ASSERTED AGAINST THE INDEMNIFIED PARTY BY ANY PERSON OR ENTITY OR APPLICABLE GOVERNMENTAL AUTHORITY FOR, WITH RESPECT TO, OR AS A DIRECT OR INDIRECT RESULT OF THE INDEMNIFYING PARTY'S (I) BREACH OF THIS AGREEMENT; (II) NEGLIGENT OR MORE CULPABLE ACT OR OMISSION (INCLUDING ANY RECKLESS OR WILLFUL MISCONDUCT) IN PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT. THE INDEMNIFICATION OBLIGATIONS AND RIGHTS PROVIDED FOR IN THIS SECTION DO NOT REQUIRE (AND SHALL NOT BE CONSTRUED AS REQUIRING) THE INDEMNIFYING PARTY TO INDEMNIFY, HOLD HARMLESS, OR DEFEND THE INDEMNIFIED PARTY AGAINST ANY ACTION OR CLAIM (OR THREATENED ACTION OR CLAIM) CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE R INDEMNIFIED PARTY. If either Party becomes aware of a claim or circumstance that may give rise to a right of indemnification hereunder, that Party shall give prompt notice, no later than ten (10) business days after becoming actually aware of such claim or circumstance, to the other Party of such claim or circumstance. This Section 3.17 shall survive expiration or earlier termination of this Agreement for a period of two (2) years.

## Article IV
## DEFAULT & REMEDIES

4.1 **Default**. If a Party fails to perform any of its obligations under this Agreement or otherwise breaches any provision hereof, then after the applicable notice and cure period pursuant to Section 4.2 below said Party will be in default hereunder. In the event of any such default, but subject to the other provisions of this Article IV, a Non-Defaulting Party, at its election, may (i) exercise any rights or remedies specifically set forth in this Agreement, or (ii) pursue a claim for actual damages.

4.2 **Notice and Cure**. Notwithstanding the foregoing or any other provision in this Agreement to the contrary, other than as set forth in Section 2.1 and Section 2.2 above, it is agreed that a Party to this Agreement will not be considered to be in default under this Agreement until and unless the Party alleging the default (the "***Non-Defaulting Party***") provides to the Party

alleged to be in default (the "***Defaulting Party***") a written notice specifying the exact nature of the alleged default and the actions necessary to remedy or cure such default (the "***Default Notice***"), and the Defaulting Party (a) fails, within 15 business days after the Defaulting Party's receipt of the Default Notice, to remedy or cure any default under this Agreement which can be remedied or cured solely with the payment of money; or (b) fails, within 30 days after the Defaulting Party's receipt of the Default Notice, to remedy or cure any default under this Agreement which cannot be remedied or cured solely with the payment of money; provided, however, if such default cannot with due diligence and good faith be cured within 30 days, then the Defaulting Party will not be considered to be in default under this Agreement until and unless the Defaulting Party fails to commence to cure such default within 30 days after the Defaulting Party's receipt of the Default Notice, or the Defaulting Party fails to prosecute diligently the cure of such default to completion within such additional period as may be reasonably required (but in all events not to exceed 120 days) to cure such default with diligence and in good faith.

4.3 **Cumulative Remedies**. All remedies are cumulative and shall be deemed additional to any and all other remedies to which any Party may be entitled pursuant to this Agreement, in law or in equity; provided, however, notwithstanding any provision herein to the contrary, the damages which a Party may be entitled to recover against any other Party arising out of a default hereunder shall be limited to actual damages and in no event shall any Party be liable to another Party for punitive, exemplary, incidental, indirect, special, delay or any other damages as set forth in Section 4.4 below. Each Party shall also have the right to restrain by injunction any violation or threatened violation by any other Party of any of the terms, covenants, or conditions of this Agreement, and enforcement of the indemnities herein, it being agreed that the remedy at law for a breach of any such term, covenant, or condition is not adequate.

4.4 **Limitation on Damages**. Notwithstanding any provision of this Agreement to the contrary (including without limitation any indemnification covenants herein), the Parties acknowledge and agree that no Party shall have or make any claim, and all Parties hereby waive any claim, for any and all punitive, exemplary, incidental, indirect, special, delay or any other damages arising from or connected with a Party's failure to timely complete any of the Developer Work or COG Work, including without limitation achieving completion by the dates set forth herein; provided, however, the foregoing shall in no way limit claims for actual damages incurred by a Party as a result of such failure, which actual damages the damaged party shall be entitled to claim and pursue.

4.5 **Attorneys' Fees**. The Prevailing Party in any legal proceeding based on or arising from or in connection with this Agreement may recover reasonable and actual attorneys' fees, investigation costs, and other out-of-pocket costs actually incurred in connection with such legal proceeding from the Party, which is not the Prevailing Party, in addition to any other relief to which such Prevailing Party is entitled. The reasonableness of such costs and attorneys' fees shall be determined by the court and not the jury. "***Prevailing Party***" means that Party which the court finds and/or declares is the prevailing party in a non-appealable judgment, whether or not that Party obtains monetary, declaratory, injunctive, equitable or nominal relief. With respect to any monetary claim, no award of damages shall be necessary in order for a Party to be found by the court to have prevailed. With respect to any non-monetary claim, no equitable relief shall be necessary in order for a Party to be found by the court to have prevailed. This Section 4.5 shall survive expiration or earlier termination of this Agreement.

4.6 **Disputes**. If a dispute arises among the Parties with respect to this Agreement and a Party's rights or obligations under this Agreement, then such Party may deliver to the other

Parties a notice ("***Dispute Notice***") stating and describing in reasonable detail the matter in dispute (the "***Dispute***"). The Dispute Notice will be sent in writing to the other Parties. Any Party receiving a Dispute Notice will promptly confirm and acknowledge receipt of the Dispute Notice.

(a) Negotiation. The Parties will promptly, amicably, and in good faith attempt to resolve such Dispute through negotiations. The Parties will cooperate to cause the appropriate employees and officials of the respective organizations to meet and discuss the Dispute, and the Parties will include in such meetings the third-parties as may be reasonably necessary in order to properly address the subject matter of the Dispute (for example, engineers and contractors). The phrase "***appropriate employees and officials***" means those persons who have the authority to negotiate and make decisions for each Party; provided, however, each Party acknowledges that depending on the Dispute, persons with final authority may not be involved in all negotiations. If the Parties are unable to resolve the Dispute within thirty (30) days after the Dispute Notice, then the Parties will submit the Dispute to non-binding mediation as set forth below.

(b) Non-Binding Mediation. If negotiation is unsuccessful, the Dispute will be subject to non-binding mediation conducted as set forth herein. Any Party wishing to commence mediation will send a written notice of intent to mediate to the other Party, specifying in detail the nature of the Dispute and proposing a resolution of the Dispute ("***Mediation Notice***"). Within fifteen (15) days after such Mediation Notice is received by the other Party, if the Parties cannot agree on a proposed mediator, one will be appointed by the Central Texas Dispute Resolution Center. Mediation will commence as soon as reasonably possible and conducted in a mutually acceptable location in the City of Georgetown. The mediator will be a person having no conflict of interest relationship with a Party. Any non-binding mediation conducted under the terms of this Section 4.6 will be confidential to the extent permitted by any and all Applicable Laws. The cost of the mediation will be borne equally by the Parties. The mediation shall be terminated by: (a) the execution of a settlement agreement, amendment to this Agreement or similar document by the Parties that fully resolves the dispute; (b) a declaration of the mediator that mediation is terminated; or (c) thirty (30) calendar days after the date of the first mediation session. No Party shall institute legal proceedings or other dispute resolution proceedings prior to complying with this Section 4.6; provided, however, that this Section 4.6 does not prohibit such Party from instituting ancillary or protective court proceedings, including, without limitation, instituting a legal proceeding in order to maintain the status quo or to protect subject matter jurisdiction so as to prevent injury to such Party, while such Party complies with the dispute resolution provision of Section 4.6. If, after complying with the terms of this Section 4.6, non-binding mediation is unsuccessful, a Party may institute legal proceedings and pursue any rights and remedies to which any Party may be entitled pursuant to this Agreement, in law or in equity.

## Article V
## GENERAL PROVISIONS

### 5.1 Force Majeure.

(a) Force Majeure. If, by reasons of a Force Majeure Event, any Party will be rendered wholly or partially unable to carry out its obligations under this Agreement, then such Party will give email notice to the other Party describing the events of Force Majeure within five (5) business days after the occurrence of such events, with written notice provided within ten (10) business days after the occurrence of such events. Any such email notice shall be given to the notice parties set forth in Section 5.4 below. The impacted Party's obligations hereunder will be suspended during the events of Force Majeure (but in any circumstances not to exceed 150 days

in the aggregate), and the impacted Party will use commercially reasonable efforts to fulfill its obligations hereunder as soon as reasonably practicable after the Force Majeure event occurs.

(b) A "***Force Majeure Event***" is any of the following events: acts of God; strikes, lockouts, or labor disputes affecting all or a material part of the work force available to perform the obligations of the impacted Party; war and/or warlike operations or conditions; sabotage or terrorism affecting the impacted Party's Property that prevents or interferes with continued work on the Impacted Party's Property; insurrections or riots; landslides, earthquakes, lightning, fires, hurricanes, tornadoes, storms, floods, washouts, other natural disasters; restraint of government and people; civil disturbances; explosions; or damage or destruction to pipelines, railroads, canals, airports, roadways, or other transportation infrastructure that limits, impairs, or inhibits the transport and delivery of supplies, and other unforeseeable interruptions of supply chains necessary for a Party's performance; or other causes not reasonably within the control of the Party claiming such inability.

(c) The delay caused by a Force Majeure Event may be referred to as a "***Force Majeure Delay***". Force Majeure Delay shall not excuse a Party's obligation to pay any sum due under this Agreement, nor shall delays in approvals or the issuance of any restrictions or orders of any kind by the City of Georgetown (acting in its capacity as a Governmental Authority), excuse COG's obligation to perform hereunder.

(d) The term "***Excusable Delays***" means, collectively, any Force Majeure Delay and any delay caused solely by the other, non-performing Party.

5.2 **Applicable Laws**. The term "***Applicable Laws***" means any city, county, state, federal, or other governmental or quasi-governmental regulation, ordinance, law, code, or statute, including any zoning ordinance or use restriction or any administrative, executive, or judicial orders, decrees, or determinations which govern, regulate, control, or otherwise apply to the use of the Developer Property, the COG Property, or other property upon which any Developer Improvements or COG Improvements are located, to the construction of the Developer Improvements or COG Improvements and other Developer Work or COG Work, or to Developer or COG, including without limitation all laws relating to health, safety, and the environment.

5.3 **Governmental Authorities**. The term "***Governmental Authorities***" means: the United States, the State of Texas, the County, and the City in which the Developer Property and the COG Property are located or otherwise having jurisdiction over the Developer Property and the COG Property, or the construction of the Developer Improvements or the COG Improvements; any municipal utility district, water control and improvement district, or similar taxing authority in which the Developer Property and the COG Property are located or otherwise having jurisdiction over the construction of the Developer Improvements or COG Improvements and other Developer Work or COG Work; and any agency, department, commission, board, or bureau of instrumentality of any of the foregoing, including without limitation the Environmental Protection Agency and the Texas Commission on Environmental Quality.

5.4 **Notices**. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by hand delivery, FedEx or other reputable overnight delivery service, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Notice shall be presumed delivered or given on the next business day after deposit with FedEx or other next day courier service for delivery (receipt must be retained for proof of deposit). The parties hereto shall have the right from time to time to change their respective addresses, within the

continental United States of America, by at least five (5) days' notice to the other party as herein provided. Each notice which shall be mailed or delivered in the manner described above at the following addresses:

| | |
|---|---|
| COG: | **City of Georgetown**<br>808 Martin Luther King Street<br>Georgetown, Texas 78626<br>Attention: David Morgan, City Manager<br>E-mail: David.Morgan@georgetowntexas.gov |
| *and to*: | City of Georgetown<br>808 Martin Luther King Street,<br>Georgetown Texas, 78626<br>Attn: Skye Masson, City Attorney<br>E-mail: skye.masson@georgetowntexas.gov |
| Developer: | **SU 560 Land Holdings I LLC**<br>c/o Southwestern University<br>1001 E. University Avenue<br>Georgetown, Texas 78627<br>Attention: Laura S. Trombley<br>E-mail: laura@southwestern.edu |
| *With a copy to*: | Jackson Walker L.L.P.<br>100 Congress Avenue, Suite 1100<br>Austin, Texas 78701-4042<br>Attn: Pam Madere<br>Email: pmadere@jw.com |

5.5 (a) **Assignment; Binding Effect**. Except as otherwise set forth below, Developer shall not assign this Agreement without the prior written consent of COG, said consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Developer may assign this Agreement and all rights accruing hereunder to Banbury (or such other development manager selected by Developer) or to any Affiliate (as hereinafter defined) of Developer without the prior written consent of COG, but with notice to COG of any such assignment, and provided further that Developer shall not be released from the obligations and liabilities of Developer under and in connection with this Agreement. As used herein, "***Affiliate***" means a natural person, corporation, limited or general partnership, limited liability company, tenancy-in-common, joint venture, association, business trust, and any other organization and any combination of them, which directly or indirectly controls, or through one or more intermediaries, is controlled by, or is under common control with the Party in question. COG shall not assign this Agreement without the prior written consent of Developer, said consent not to be unreasonably withheld, conditioned or delayed. The obligations of COG under this Agreement shall run with the COG Property. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, personal representatives, legal representatives, successors and permitted assigns.

(b) **No Partnership**. Developer and COG are not partners or joint venturers. In no event will any of the Parties be liable or responsible for any contractual, tortuous, or other liability, obligation, or debt of any other party, whether a party to this Agreement or otherwise.

(c) **Amendment**. This Agreement may only be amended, modified, or changed by a written document properly executed by Developer and COG. Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Agreement and in accordance with Section 5.5(d)(v).

(d) **Miscellaneous**.

(i) TEXAS LAW TO APPLY. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED BY THIS AGREEMENT ARE PERFORMABLE IN WILLIAMSON COUNTY, TEXAS.

(ii) Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement; provided, however, that this Agreement continues to reasonably and substantially reflect the intent of the parties expressed herein taking into account the exclusion of such unenforceable provision.

(iii) Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

(iv) Days. As used in this Agreement, "days" shall mean and refer to calendar days, unless otherwise specifically identified as business days. If a deadline falls or notice is required on a Saturday, Sunday, or a legal banking holiday, then the deadline or notice shall be extended to the next calendar day which is a business day.

(v) Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully-executed counterparts; and (ii) a facsimile signature page or an electronically scanned signature page shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement. An electronic signature transmitted in accordance herewith, shall be deemed in compliance with the U.S. Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act subject, however, to the following limitation: this document may not be amended, and its provisions may not be waived, orally or by electronic communications between the parties.

5.6 **Compliance with Law**. The Parties shall comply with all Applicable Laws in performing the Developer Work and COG Work pursuant to the terms of this Agreement.

5.7 **Term**. This Agreement shall automatically terminate upon the earlier of: (i) expiration of the Ownership Term, or (ii) upon the retaking of the COG Property by Developer due to a Reversionary Right in favor of Developer as set forth in the Deed. Notwithstanding the

foregoing, if Developer has not delivered a notice to proceed to its general contractor on or before one hundred twenty (120) days following the Effective Date hereof, then Developer may send COG written notice of Developer's election to terminate this Agreement ("***Early Termination Notice***"), whereupon Developer shall pay to COG an early termination fee (the "***Early Termination Fee***") in an amount up to, but not exceeding, $2,000,000.00, for the actual, out-of-pocket costs and expenses incurred by COG in connection with this Agreement and the COG Work, and thereafter neither Party shall have any obligations under this Agreement except those that expressly survive the termination of this Agreement. Upon the exercise of the early termination right as set forth in this Section 5.7, COG shall deliver written notice (the "***Fee Notice***") to Developer detailing the amount of the Early Termination Fee to be paid by Developer (not to exceed $2,000,000.00), together with written invoices and/or other reasonable evidence of the actual costs and expenses incurred by COG up until the date of termination, and Developer shall pay such Early Termination Fee amount to COG within thirty (30) days following receipt of the Fee Notice. Following payment of the Early Termination Fee by Developer to COG as set forth herein, (A) the conveyance of the COG Property by Developer to COG pursuant to the Deed shall terminate, and title to the COG Property shall automatically revert to Developer, and the Parties shall work together in good faith to record any such documentation in the Official Public Records of Williamson County, Texas as may be necessary to effectuate a conveyance of the COG Property back to Developer or otherwise acknowledge the termination of the Ownership Term, and (B) the conveyance of the Easements by Developer to COG shall terminate, and the Parties shall work together in good faith to record any such documentation in the Official Public Records of Williamson County, Texas as may be necessary to effectuate a release and termination of such Easements. This Section 5.7 shall survive expiration or earlier termination of this Agreement.

5.8 **Sovereign Immunity; Capacity; Limited Waiver; Remedies; Authority**.

(a) *Capacity of COG*. COG shall be deemed a "Lessee" under the CC&Rs and shall be bound by, and shall comply with, all covenants, conditions, restrictions, assessments, easements, architectural standards, maintenance obligations, and other provisions of the CC&Rs applicable to Lessees, except as expressly modified or pre-approved in the ARG.

(b) *No General Waiver; Construction Against Implied Waiver*. Developer and COG expressly recognize that, under Texas law, sovereign or governmental immunity is not waived except by clear and unambiguous legislative permission. Nothing in this Agreement or the CC&Rs shall be construed as a general or implied waiver of sovereign or governmental immunity by COG.

(c) *Contract for Goods and Services.* The parties agree that this Agreement is a subject to Subchapter I, Chapter 271, Texas Local Government Code (the "***Provision***"), as amended from time to time. In addition to the limited waiver set forth in subsection (d) below, **COG knowingly and expressly waives immunity from suit and liability to the extent that this Agreement or any of the Documents falls under the Provision**.

(d) *Limited and Express Waiver for Enforcement of Covenants*. **COG knowingly and expressly waives immunity from suit, but not from liability except as expressly provided herein**, solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to: (i) determine the parties' respective rights and obligations under this Agreement, any of the Governing Documents, and any other applicable agreements between COG and Developer (collectively, the "***Documents***") as they pertain to the COG Property and the Easement Areas; and (ii) enforce compliance with the Documents as to

such COG-owned COG Property and the Easement Areas by means of declaratory and injunctive relief and specific performance. This limited waiver does not extend to any claim for money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against COG **except to the extent** such relief is expressly authorized by statute that clearly and unambiguously waives immunity, and then only to the extent of such statutory authorization.

(e) *Venue; Jurisdiction*. Any permitted action against COG arising out of or relating to the Documents shall be brought exclusively in a state district court of competent jurisdiction sitting in the county in Texas where the COG Property is located.

(f) **PROHIBITION ON VIOLATION OF STATE LAW AND CONSTITUTION**. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, DEVELOPER AND COG ACKNOWLEDGE AND AGREE THAT COG SHALL NOT BE REQUIRED TO PERFORM ANY ACT OR TO REFRAIN FROM ANY ACT IF THAT PERFORMANCE OR NON-PERFORMANCE WOULD CONSTITUTE A VIOLATION OF THE CONSTITUTION OR LAWS OF THE STATE OF TEXAS.

5.9 **Memorandum**. Concurrently with the execution of this Agreement, Developer and COG shall execute a memorandum of this Agreement ("***Memorandum***"), in the form attached hereto as **Exhibit "M"**. The Memorandum shall be recorded in the real property records of Williamson County, Texas. Upon expiration of the Ownership Term, Developer will deliver to COG a written termination agreement (in the case of a termination of this Agreement), in a form acceptable to Developer, and COG will promptly execute and return such document to Developer for filing in the real property records of Williamson County, Texas. Any termination of the Memorandum that is signed and acknowledged by Developer and COG shall be conclusive evidence that the Memorandum was terminated.

5.10 **Exhibits**. The following exhibits are attached to and incorporated in this Agreement by reference:

| | |
|---|---|
| Exhibit "A" - | Developer Property |
| Exhibit "B-1" - | COG Property |
| Exhibit "B-2" - | Form of Deed |
| Exhibit "C-1" - | Parking Area |
| Exhibit "C-2" - | Form of Parking Easement |
| Exhibit "D-1" - | Temporary Construction Area |
| Exhibit "D-2" - | Form of Temporary Construction Easement |
| Exhibit "D-3" - | Form of Release of Temporary Construction Easement |
| Exhibit "D-4" - | Wastewater Easement Area |
| Exhibit "D-5" - | Form of Wastewater Easement |
| Exhibit "E-1"- | Approved COG Designs |
| Exhibit "E-2"- | Required Elements for the Ground Floor Retail Premises |
| Exhibit "F" - | Approved COG Schedule |
| Exhibit "G" - | Approved Developer Schedule |
| Exhibit "H" - | Scope of Developer Improvements |
| Exhibit "H-1"- | Developer Plans |
| Exhibit "I"- | Construction Methods |
| Exhibit "J"- | Insurance Requirements |
| Exhibit "K"- | Form of CC&Rs |
| Exhibit "M"- | Form of Memorandum |

Exhibit "N" - Form of Purchase Agreement for Option

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Executed to be effective as of _____, 2026 (the *"**Effective Date**"*).

DEVELOPER:

**SU 560 LAND HOLDINGS I, LLC,**
a Texas limited liability company

By:_____

Name:_____

Title:_____

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[SIGNATURES CONTINUE ON FOLLOWING PAGE]

COG:

**CITY OF GEORGETOWN**

By: _____

Name: _____

Title: _____

# EXHIBIT "A"

## DEVELOPER PROPERTY

The "***Developer Property***" shall mean that certain 68.768-acre tract of land located in the City of Georgetown, Williamson County, Texas, as more particularly described by metes and bounds below, SAVE AND EXCEPT the COG Property more particularly described on **Exhibit "B-1"** attached hereto.

[See Attached]

## DESCRIPTION OF 68.768 ACRES

DESCRIPTION OF A 68.768 ACRE TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING PART OF A CALLED 105 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (DR), BEING DESCRIBED IN VOLUME 121, PAGE 111, DR, PART OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, DR, PART OF A CALLED 25.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY BY DEED, OF RECORD IN VOLUME 333, PAGE 145, DR, BEING DESCRIBED IN VOLUME 129, PAGE 11, DR, AND PART OF A CALLED 11.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, BEING DESCRIRBED IN VOLUME 183, PAGE 588, DR, SAID 68.768 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN JULY AND AUGUST, 2023, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT-OF -WAY OF STATE HIGHWAY NO 29, ALSO KNOWN AS UNIVERSITY AVENUE, A VARIABLE WIDTH RIGHT-OF-WAY, SAME BEING A SOUTHWESTERLY CORNER AND **POINT OF BEGINNING** OF THE HEREIN DESCRIBED TRACT;

**THENCE,** OVER AND ACROSS THE AFOREMENTIONED SOUTHWESTERN UNIVERSITY TRACTS, WITH THE CENTERLINE OF SAID SMITH BRANCH, SAME BEING THE WEST LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES:

1. NORTH 20° 48' 17" WEST, A DISTANCE OF 304.96 FEET TO A POINT;
2. NORTH 40° 27' 28" WEST, A DISTANCE OF 226.74 FEET TO A POINT;
3. NORTH 51° 30' 23" WEST, A DISTANCE OF 65.84 FEET TO A POINT;
4. NORTH 42° 32' 02" WEST, A DISTANCE OF 124.49 FEET TO A POINT;
5. NORTH 32° 15' 06" WEST, A DISTANCE OF 173.82 FEET TO A POINT;
6. NORTH 07° 39' 28" WEST, A DISTANCE OF 200.45 FEET TO A POINT;
7. NORTH 02° 35' 22" WEST, A DISTANCE OF 105.98 FEET TO A POINT;
8. NORTH 11° 16' 53" EAST, A DISTANCE OF 51.97 FEET TO A POINT;
9. NORTH 04° 00' 44" EAST, A DISTANCE OF 240.86 FEET TO A POINT;
10. NORTH 13° 38' 23" EAST, A DISTANCE OF 73.47 FEET TO A POINT;
11. NORTH 03° 04' 37" EAST, A DISTANCE OF 51.24 FEET TO A POINT;
12. NORTH 13° 19' 40" WEST, A DISTANCE OF 72.10 FEET TO A POINT;

13. NORTH 31° 00' 39" WEST, A DISTANCE OF 135.95 FEET TO A POINT;
14. NORTH 44° 16' 00" WEST, A DISTANCE OF 85.61 FEET TO A POINT; AND
15. NORTH 53° 22' 14" WEST, A DISTANCE OF 79.63 FEET TO A POINT IN THE SOUTH LINE OF COUNTY ROAD 188, ALSO KNOWN AS SMITH CREEK ROAD, BEING A 40 FOOT WIDE RIGHT-OF-WAY (NO RECORD FOUND), FOR THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE SOUTH LINE OF SAID SMITH CREEK, ROAD THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. NORTH 61° 04' 53" EAST, A DISTANCE OF 47.17 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. NORTH 74° 06' 52" EAST, A DISTANCE OF 173.69 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. NORTH 77° 36' 45" EAST, A DISTANCE OF 1400.60 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE SOUTH AND WEST LINE OF SAID SMITH CREEK ROAD FOR THE NORTHEAST CORNER OF HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE WEST LINE OF SAID SMITH CREEK ROAD THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. SOUTH 21° 31' 36" EAST, A DISTANCE OF 348.32 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. SOUTH 24° 18' 14" EAST, A DISTANCE OF 247.39 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
3. SOUTH 29° 05' 31" EAST, A DISTANCE OF 142.88 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
4. SOUTH 22° 32' 01" EAST, A DISTANCE OF 363.29 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
5. SOUTH 21° 57' 06" EAST, A DISTANCE OF 258.94 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
6. SOUTH 21° 59' 08" EAST, A DISTANCE OF 359.64 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT OF WAY OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, AND IN THE WEST LINE OF SAID SMITH CREEK ROAD, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING A SOUTH LINE OF SAID 76 ACRE TRACT, AND THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 74° 56' 55" WEST, A DISTANCE OF 480.33 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET, AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 1950.04 FEET;
2. ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 204.81 FEET, THROUGH A CENTRAL ANGLE OF 06° 01' 04", AND A CHORD WHICH BEARS SOUTH 71° 55' 55" WEST, A DISTANCE OF 204.72 FEET, TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. SOUTH 68° 55' 55" WEST, A DISTANCE OF 974.11 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE CENTERLINE OF SMITH BRANCH, IN THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND **POINT OF BEGINNING**, CONTAINING 68.768 ACRES OF LAND, MORE OR LESS, WITHIN THESE METES AND BOUNDS.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are grid values represented in International Survey Feet.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

I certify that this description was prepared from a survey made on the ground in July and August, 2023, under my supervision.

Steger & Bizzell Engineering Inc.

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

3-30-26

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10003700

# EXHIBIT "B-1"

## COG PROPERTY

[See Attached]

**DESCRIPTION OF 1.830 ACRES (79,706 SQ. FT)**

DESCRIPTION OF A 1.830 ACRE (79,706 SQ. FT) TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF A CALLED 105 ACRE TRACT OF LAND "FIRST TRACT" CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), DESCRIBED BY METES AND BOUNDS IN VOLUME 121, PAGE 111, D.R.W.C.T., PART OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, D.R.W.C.T, SAID 1.830 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 105 acre remainder tract, said point being North 29°05'31" West, a distance of 98.65 feet from the southeast corner of said 105 acre tract;

**THENCE**, South 50°21'20" West, leaving the west right-of-way line of said County Road 188 and over and across said 105 acre remainder tract, 82.94 feet, to a calculated point, for the northeast corner and **POINT OF BEGINNING** of the herein described tract**;**

**THENCE,** in part over and across said 105 acre remainder tract, and in part over and across said 76 acre remainder tract, the following seven (7) courses and distances:

1. **South 21° 05' 17" East**, a distance of **141.85** feet, to a calculated point at the beginning of a curve to the right, having a radius of 155.26 feet, from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of said County Road 188 and on the east line of said 76 acre tract, bears North53°42'53" East, 102.09 feet;
2. With said curve to the right, an arc distance of 173.78 feet, through a central angle of 064°07'52" and a chord that bears **South 37° 03' 15" West**, a distance of **164.85** feet to a calculated point;
3. **South 68° 54' 43" West**, a distance of **224.42** feet, to a calculated point;
4. **North 89° 01' 01" West,** a distance of **17.75** feet, to a calculated point, at the beginning of a curve to the left, having a radius of 318.04 feet and the southwest corner of the herein described tract;
5. With said curve to the left, an arc distance of 117.60 feet, through a central angle of 021°11'11" and a chord that bears **North 10° 29' 41" West**, a distance of **116.93** feet to a calculated point;

6. **North 21° 05' 17" West,** a distance of **107.25** feet, to a calculated point, and the northwest corner of the herein described tract; and
7. **North 68° 54' 43" East**, a distance of **359.39** feet, to the **POINT OF BEGINNING**, and containing 1.830 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas State Plane Coordinate System, Grid North, Central Zone (4203), NAD83. All distances shown hereon are surface values represented in U.S. Survey feet based on a surface-to-grid combined adjustment factor of 1.000130000097829.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

Steger & Bizzell Engineering Inc.

04/13/2026

_____

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

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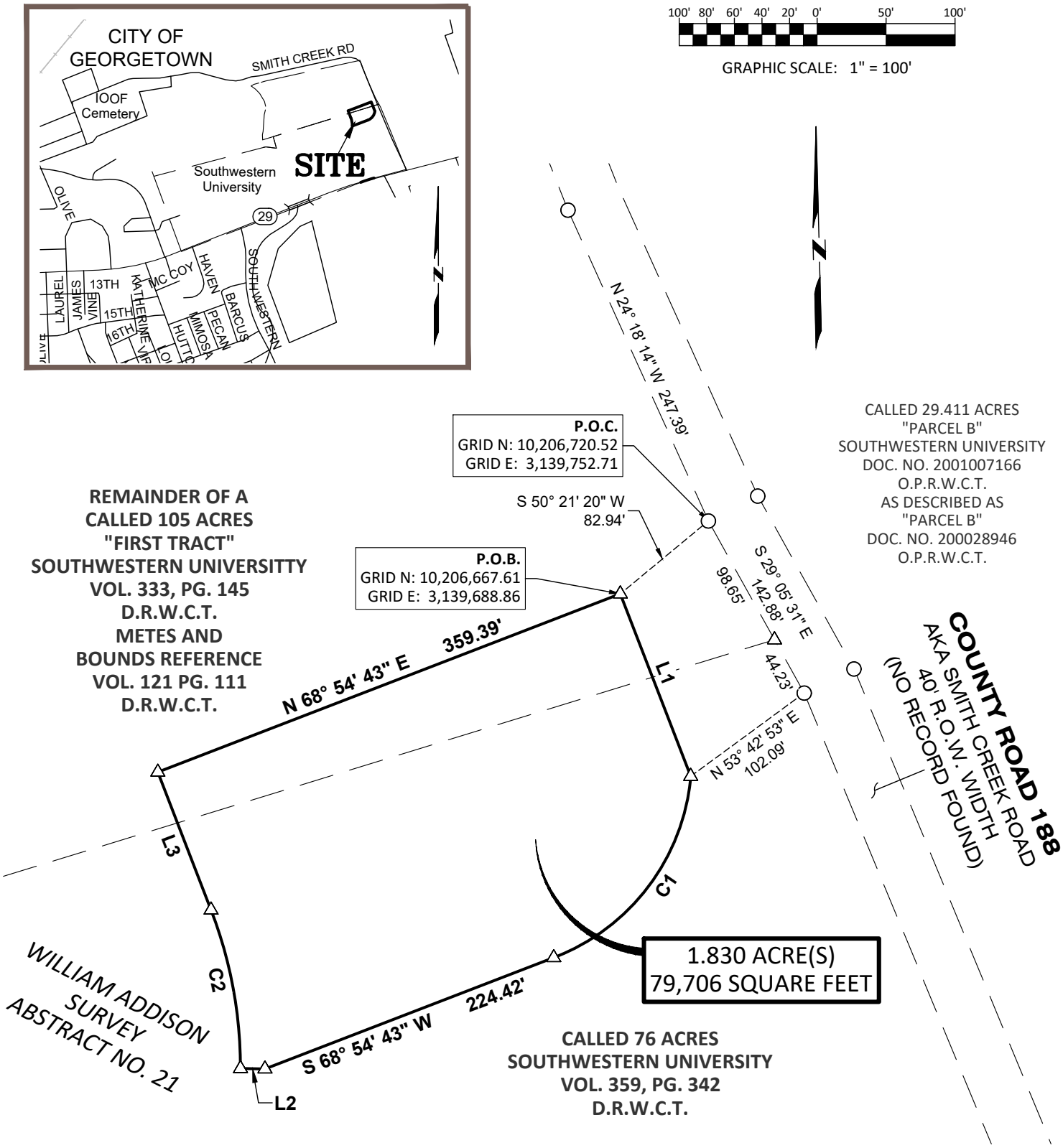
LOCATION MAP 1" = 2000'




1.830 ACRE(S), 79,706 SQ. FT.
WILLIAM ADDISON SURVEY
ABSTRACT NO. 21
City of Georgetown
Williamson County, Texas

STEGER BIZZELL

| | | | |
|---|---|---|---|
| ADDRESS | 1978 S. AUSTIN AVENUE | | GEORGETOWN, TX 78626 |
| METRO | 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 | WEB STEGERBIZZELL.COM |
| SERVICES | >>ENGINEERS >>PLANNERS >>SURVEYORS | | |

DATE 04/13/2026 JOB NO. 22948 SHEET 1 OF 2

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# LEGEND

| | |
|---|---|
| ——— | SUBJECT EASEMENT BOUNDARY LINE |
| — — — — | PROPERTY ADJOINER LINE |
| ○ | IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET |
| △ | CALCULATED POINT |
| VOL./PG. | VOLUME, PAGE |
| P.O.B. | POINT OF BEGINNING |
| P.O.C. | POINT OF COMMENCEMENT |
| O.P.R.W.C.T. | OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS |
| D.R.W.C.T. | DEED RECORDS OF WILLIAMSON COUNTY, TEXAS |
| R.O.W. | RIGHT-OF-WAY |
| DOC. NO. | DOCUMENT NUMBER |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L1 | S 21°05'17" E | 141.85' |
| L2 | N 89°01'01" W | 17.75' |
| L3 | N 21°05'17" W | 107.25' |

**Curve Table**

| Curve # | Length | Radius | Delta | Bearing | Chord |
|---|---|---|---|---|---|
| C1 | 173.78' | 155.26' | 064°07'52" | S 37°03'15" W | 164.85' |
| C2 | 117.60' | 318.04' | 021°11'11" | N 10°29'41" W | 116.93' |

1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000130000097829.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 1.830 ACRES, 79,706 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON November 21, 2025.

DATE OF PLAT OR MAP: April 10, 2026

STEGER & BIZZELL ENGINEERING, INC

04/13/2026

STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700

# 1.830 ACRE(S), 79,706 SQ. FT.
# WILLIAM ADDISON SURVEY
# ABSTRACT NO. 21
# City of Georgetown
# Williamson County, Texas

STEGER BIZZELL
ADDRESS 1978 S. AUSTIN AVENUE GEORGETOWN, TX 78626
METRO 512.930.9412 TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 WEB STEGERBIZZELL.COM
SERVICES >>ENGINEERS >>PLANNERS >>SURVEYORS

DATE 04/13/2026 JOB NO. 22948 SHEET 2 OF 2



V:\Projects\GTX147\Projects\22000-22999\22948 SU 550\Survey Data\CAD\22948-COG PROPERTY(RED).dwg, 4/13/2026 3:12:09 PM, AutoCAD PDF (General Documentation).pc3

# EXHIBIT "B-2"

## FORM OF DEED

[See Attached]

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

# SPECIAL WARRANTY DEED

## (FEE SIMPLE WITH CONDITIONS SUBSEQUENT AND RIGHT OF REVERSION)

| | | |
|---|---|---|
| STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF WILLIAMSON | § | |

THAT **SU 560 LAND HOLDINGS I LLC**, a Texas limited liability company ("***Grantor***"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, has GRANTED, BARGAINED, SOLD and CONVEYED and by these presents does GRANT, BARGAIN, SELL and CONVEY, unto **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation ("***Grantee***"), whose address for the purposes hereof is 808 Martin Luther King Street, Georgetown, Texas 78626, subject to those special limitations set forth below, that certain parcel of land (the "***Land***") located in Williamson County, Texas, being more particularly described in Exhibit A attached hereto and incorporated herein by reference for all purposes, together with all and singular the improvements, buildings, structures and fixtures located thereon or attached thereto, all right, title and interest of Grantor, if any, in and to strips or gores, privileges, claims, easements, hereditaments, and appurtenances belonging to or inuring to the benefit of Grantor and pertaining to such land, and all rights of Grantor (if any) of ingress and egress to such land (all of such land, improvements and property are collectively referred to herein as the "***Property***"); provided, however, that this conveyance is made and accepted subject to: (A) to all those easements, covenants, restrictions and other matters more particularly described in Exhibit B attached hereto and incorporated herein by this reference for all purposes (the "***Permitted Exceptions***"), (B) the mineral reservation as more particularly set forth on Exhibit C attached hereto and incorporated herein by this reference for all purposes (the "***Mineral Reservation***"), (C) the Ownership Term, as more particularly described below, and (D) the following conditions subsequent (each, "***Fee Simple Condition Subsequent***", and collectively, the "***Fee Simple Conditions Subsequent***"):

1. Grantee shall use the Property only as a professional, non-medical office building, except that Grantee may also use up to 5,000 square feet on the first floor of the building (the "***Ground Floor Portion***") for retail use or professional, non-medical office use (collectively, the "***Permitted Use***");

2. Grantee shall not cease occupying and operating at the Property for the Permitted Use for a period of longer than two (2) years;

3. Grantee shall not sell, convey, or lease all or any part of the Property to any person or entity without Grantor's prior written consent, which shall not be unreasonably withheld. If at any time Grantee desires to sell, convey, or lease all or any part of the Property to any person or entity, Grantee shall request in writing that Grantor consent to the proposed sale, conveyance, or lease and shall not consummate such sale, conveyance, or lease without Grantor's prior written consent. Notwithstanding the foregoing, Grantee has the right to transfer the Ground Floor Portion of the building located on the Property to the Georgetown Economic Development Corporation without Grantor's prior written consent, provided that the transfer is subject to (i) the Ownership Term, (ii) Fee Simple Conditions Subsequent with rights of reverter in favor of Grantor as set forth in this Deed, (iii) Development Agreement (including, without limitation Grantor's Right of First Offer, Right of First Refusal, and Purchase Option, all being more particularly set forth therein), (iv) the Master Declaration, and (v) the Parking Easement;

4. Grantee shall not default under that certain Development and Operations Agreement of even date herewith, between Grantor and Grantee (as may be amended or supplemented from time to time, the "***Development Agreement***"), as evidenced by that certain Memorandum of Agreement between Grantor and Grantee and recorded on or about the date hereof;

5. Grantee shall not default under that certain Parking Easement Agreement of even date herewith, between Grantor and Grantee, recorded in the Official Public Records of Williamson County, Texas (as may be amended or supplemented from time to time, the "***Parking Easement***"); and

6. The Georgetown Transportation Enhancement Corporation shall not default under that certain Economic Development Incentive Agreement of even date herewith, between Grantor and the Georgetown Transportation Enhancement Corporation (as may be amended or supplemented from time to time, the "***Performance Agreement***").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its permitted successors and assigns; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND DEFEND, all and singular the title to the Property unto Grantee, its permitted successors and assigns, against every person whomsoever lawfully claiming or to claim the Property or any part thereof, by, through or under Grantor, but not otherwise; subject, however, to the Permitted Exceptions, the Mineral Reservation, the Fee Simple Conditions Subsequent, and the Ownership Term (as hereinafter defined).

In the event that (i) Grantee violates or fails to observe Fee Simple Conditions Subsequent 1, 2, 3, 4 or 5 as set out above and a court of competent jurisdiction issues an order declaring that Grantee has violated or failed to observe any of these conditions; or (ii) the Georgetown Transportation Enhancement Corporation violates or fails to observe Fee Simple Condition Subsequent 6 as set out above and a court of competent jurisdiction issues an order declaring that the Georgetown Transportation Enhancement Corporation has violated or failed to observe this condition, then Grantor or Grantor's successors will have the right to terminate the estate granted

to Grantee by this Deed and reenter and retake the Property; provided, however, that (i) Grantor shall not reenter and retake the Property due to a violation or failure to observe Fee Simple Conditions Subsequent 4, 5 or 6 unless and until the respective agreement referenced therein has been terminated; and (ii) if Grantor or Grantor's successors reenter and retake the Property, Grantor shall either (a) pay the full amount of the principal and interest of the annualized Georgetown Bonds payments each year when such payments become due with the first payment commencing immediately following the date of reentry and retaking and continuing thereafter until the Georgetown Bonds are paid in full; or (b) fully redeem or defease the Georgetown Bonds immediately following the date of reentry and retaking. Grantee hereby agrees to provide Grantor with all documentation necessary and requested by Grantor relating to Georgetown Bonds and their repayment terms, conditions, and obligations. For purposes of this provision, "***Georgetown Bonds***" shall mean all those bonds issued by Grantee to fund the construction of improvements on the Property including but limited to the design and construction of the building and parking improvements.

**IN ADDITION TO THE FOREGOING, TITLE TO THE ENTIRETY OF THE PROPERTY, TOGETHER WITH ALL AND SINGULAR THE RIGHTS AND APPURTENANCES THERETO IN ANY WISE BELONGING, SHALL IMMEDIATELY AND AUTOMATICALLY TERMINATE, BE NULL AND VOID, AND REVERT TO GRANTOR (INCLUDING ITS SUCCESSORS, ASSIGNS OR DESIGNEES), FREE AND CLEAR OF ANY AND ALL LIENS AND ENCUMBRANCES PLACED UPON OR PERMITTED TO BE PLACED UPON THE PROPERTY BY GRANTEE, AT 11:59 P.M., CENTRAL TIME, ON _____, 2125 (THE "*EXPIRATION DATE*"), AT WHICH TIME TITLE TO THE PROPERTY SHALL AUTOMATICALLY REVERT TO GRANTOR (INCLUDING ITS SUCCESSORS, ASSIGNS OR DESIGNEES), WITHOUT THE NECESSITY OF RE-ENTRY, RE-CONVEYANCE, OR SUIT**. The period of time commencing upon the recordation date of this Deed and expiring at 11:59 p.m., Central Time, on the Expiration Date is referred to herein as the "***Ownership Term***".

EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN, IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING CONVEYED HEREUNDER "AS IS" WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS AND WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY GRANTOR. GRANTOR HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY (OTHER THAN GRANTOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN), ITS CONDITION, AND ITS COMPLIANCE WITH APPLICABLE LAWS. GRANTEE AGREES THAT IT IS ACCEPTING THIS INSTRUMENT WITHOUT RELYING (EXCEPT FOR THE SPECIAL WARRANTY OF TITLE) UPON ANY SUCH REPRESENTATIONS, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY GRANTOR OR ANY REPRESENTATIVE OF GRANTOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF GRANTOR WITH RESPECT TO THE PROPERTY BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY. GRANTEE FURTHER AGREES THAT THE PROVISIONS OF THIS SECTION WERE A MATERIAL FACTOR IN

THE GRANTOR'S DETERMINATION OF THE CONSIDERATION FOR THE CONVEYANCE OF THE PROPERTY TO GRANTEE.

Subject to and conditioned upon formal approval by ordinance or resolution of Grantee's governing body authorizing execution and delivery of this instrument, **Grantee knowingly and expressly waives immunity from suit**—but not from liability—solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to determine the parties' rights and obligations under this Deed, and to enforce them by declaratory judgment, temporary or permanent injunctive relief, or specific performance. This waiver does not extend to, and no judgment shall be entered for, money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against Grantee, except to the limited extent expressly authorized by a statute that clearly and unambiguously waives immunity. Notwithstanding anything to the contrary in THIS DEED, GRANTOR and GRANTEE acknowledge and agree that GRANTEE shall not be required to perform any act or to refrain from any act if that performance or non-performance would constitute a violation of the Constitution or laws of the State of Texas.

When the context requires, singular nouns and pronouns include the plural.

EXECUTED effective as of the _____ day of _____, 2026 ("***Effective Date***").

**GRANTOR**:

**SU 560 LAND HOLDINGS I LLC**,
a Texas limited liability company

By: _____

Name:_____

Title:_____

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on _____, 2026, by _____, as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
Notary Public, State of Texas

My Commission Expires:

_____

Exhibits attached to Deed:
Exhibit A – Legal Description of Land
Exhibit B – Permitted Exceptions
Exhibit C – Mineral Reservation

**EXHIBIT A TO DEED**
**PROPERTY**

[See Attached]

**EXHIBIT B**
**PERMITTED EXCEPTIONS**

1. All easements, rights-of-way, and prescriptive rights, whether of record or not, and all conditions, restrictions, covenants, mineral or royalty interests, mineral reservations, surface waivers, utility conveyances, encumbrances, regulations or orders of municipal and/or other governmental authorities, if any, or other matters of record in Williamson County, Texas, to the extent the same are validly existing and applicable to the Property.

2. The Development and Operations Agreement by and between Grantor and Grantee, as evidenced by that certain Memorandum of Agreement by and between Grantor and Grantee and recorded on or about the date hereof.

3. The Parking Easement by and between Grantor and Grantee.

4. That certain Declaration of Covenants, Conditions and Restrictions for 560 Master Development of even date herewith, recorded in the Official Public Records of Williamson County, Texas, as affected by that certain Agreement Regarding Governance [560 Master Development] of even date herewith by and between Grantor and Grantee (as may be amended or supplemented from time to time, the "***Master Declaration***").

5. Standby fees, taxes and assessments for 2026 and all subsequent years.

## EXHIBIT C
## MINERAL RESERVATION

Grantor reserves to itself and its successors and assigns, all oil, gas and other mineral rights and interests that are not currently outstanding in other parties with respect the Property (the "***Mineral Reservation***"); except that Grantor, on behalf of itself, its successors and assigns, releases and relinquishes all rights of every kind and character whatsoever to enter upon or to use all or any portion of the surface of the Property for any purposes, including without limitation, ingress and egress, exploring, developing, drilling, producing, transporting, mining, treating or storing of any oil, gas and other minerals thereunder or for any purpose relating to exploring, developing, drilling, producing, transporting, mining, treating or storing any oil, gas or other minerals (the "***Surface Waiver***"). The foregoing Surface Waiver shall not restrict or prohibit the pooling or unitization of the mineral estate reserved by the Grantor hereunder with land other than the Property or the exploration or production of the oil, gas and other minerals by means of wells that are drilled or mines that open on land other than the Property but enter under or bottom under the Property (collectively, the "***Pooling and Subsurface Activities***"), provided that these operations are below the Surface and shall not interfere with the Surface or with the subsurface support of any improvements constructed or to be constructed on the Property, or any part thereof. As used herein, the term "***Surface***" shall mean the area between the ground elevation of the Property to a depth of five hundred (500) feet below the ground elevation.

# EXHIBIT "C-1"

## PARKING AREA

[See Attached]

**DESCRIPTION OF 4.665 ACRES (203,210 SQ. FT.)**

DESCRIPTION OF 4.665 ACRES (203,210 SQ. FT.) OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF A CALLED 105 ACRE TRACT OF LAND "FIRST TRACT" CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), DESCRIBED BY METES AND BOUNDS IN VOLUME 121, PAGE 111, D.R.W.C.T., SAID 4.665 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED IN TWO PARTS BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 105 acre remainder tract, said point being North 29°05'31" West, a distance of 98.65 feet from the southeast corner of said 105 acre tract, and the northeast corner of a called 76 acre tract conveyed to Southwestern University in Volume 359, Page 342, D.R.W.C.T.;

**THENCE**, North 74°51'29" West, leaving the west right-of-way line of said County Road 188 and over and across said 105 acre remainder tract, 97.44 feet, to a calculated point, for the southeast corner and **POINT OF BEGINNING** of the herein described tract;

**THENCE,** continuing over and across said 105 acre remainder tract, the following twenty-three (23) courses and distances:

1. **South 68° 54' 43" West**, a distance of **582.35** feet, to a calculated point, for the southwest corner of the herein described tract;
2. **North 21°05'17" West,** a distance of **402.50** feet, to a calculated point, for the northwest corner of the herein described tract;
3. **North 68°54'43" East,** a distance of **23.00** feet, to a calculated point;
4. **North 21° 05' 17 "West,** a distance of **24.00** feet, to a calculated point;
5. **North 68° 54' 43 "East,** a distance of **65.00** feet, to a calculated point;
6. **South 21° 05' 17 "East,** a distance of **20.00** feet, to a calculated point;
7. **North 68° 54' 43 "East,** a distance of **25.00** feet, to a calculated point;
8. **North 21° 05' 17" West**, a distance of **20.00** feet, to a calculated point;
9. **North 68° 54' 43" East**, a distance of **38.50** feet, to a calculated point;
10. **North 21° 05' 19" West**, a distance of **3.50** feet, to a calculated point;
11. **North 68° 54' 43" East**, a distance of **37.02** feet, to a calculated point;

12. **South 21° 05' 17 "East,** a distance of **24.11** feet, to a calculated point and at the beginning of a curve to the right, having a radius of 51.50 feet;
13. With said curve to the right, an arc distance of 31.84 feet, through a central angle of 035°25'09" and a chord that bears **South 84° 31' 04" East**, a distance of **31.33** feet, to a calculated point;
14. **South 66° 48' 29" East**, a distance of **17.01** feet, to a calculated point and at the beginning of a curve to the left, having a radius of 47.50 feet;
15. With said curve to the left, an arc distance of 18.18 feet, through a central angle of 021°55'25" and a chord that bears **South 77° 46' 12" East**, a distance of **18.06** feet, to a calculated point;
16. **North 68° 58' 03" East**, a distance of **94.68** feet, to a calculated point;
17. **North 21° 05' 17" West**, a distance of **11.02** feet, to a calculated point;
18. **North 68° 54' 43" East**, a distance of **141.00** feet, to a calculated point, for the northeast corner of the herein described tract, from which point a cotton spindle with washer stamped "STEGER BIZZELL" set on the south and west right-of-way line of County Road 188, bears North 25°20'36" East, 227.83 feet;
19. **South 21° 05' 19" East**, a distance of **224.00** feet, to a calculated point;
20. **North 68° 54' 43" East**, a distance of **34.00** feet, to a calculated point;
21. **South 21° 05' 17" East**, a distance of **40.00** feet, to a calculated point;
22. **North 68° 54' 43" East**, a distance of **68.85** feet, to a calculated point; and
23. **South 21° 05' 17" East**, a distance of **117.00** feet, to the **POINT OF BEGINNING**, and containing 4.665 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are surface values represented in U.S. Survey feet based on a grid-to-surface combined adjustment factor of 1.000133602065127.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

CHA

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

5-19-26

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

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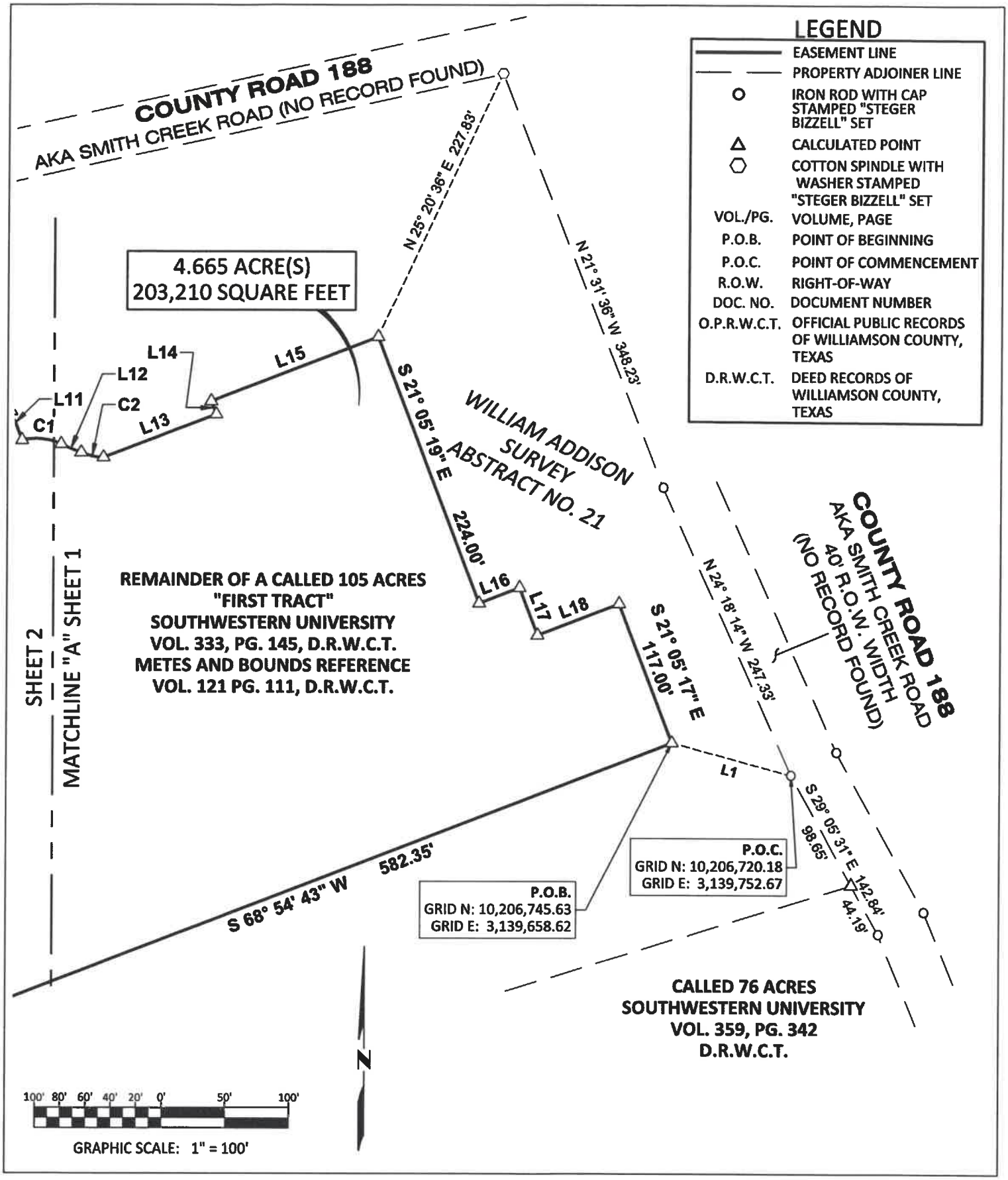


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1978 S. Austin Avenue
Georgetown, TX 78626
512.930.9412 . www.chasolutions.com
FIRM REG. # 10195013

# 4.665 ACRE PARKING LOT

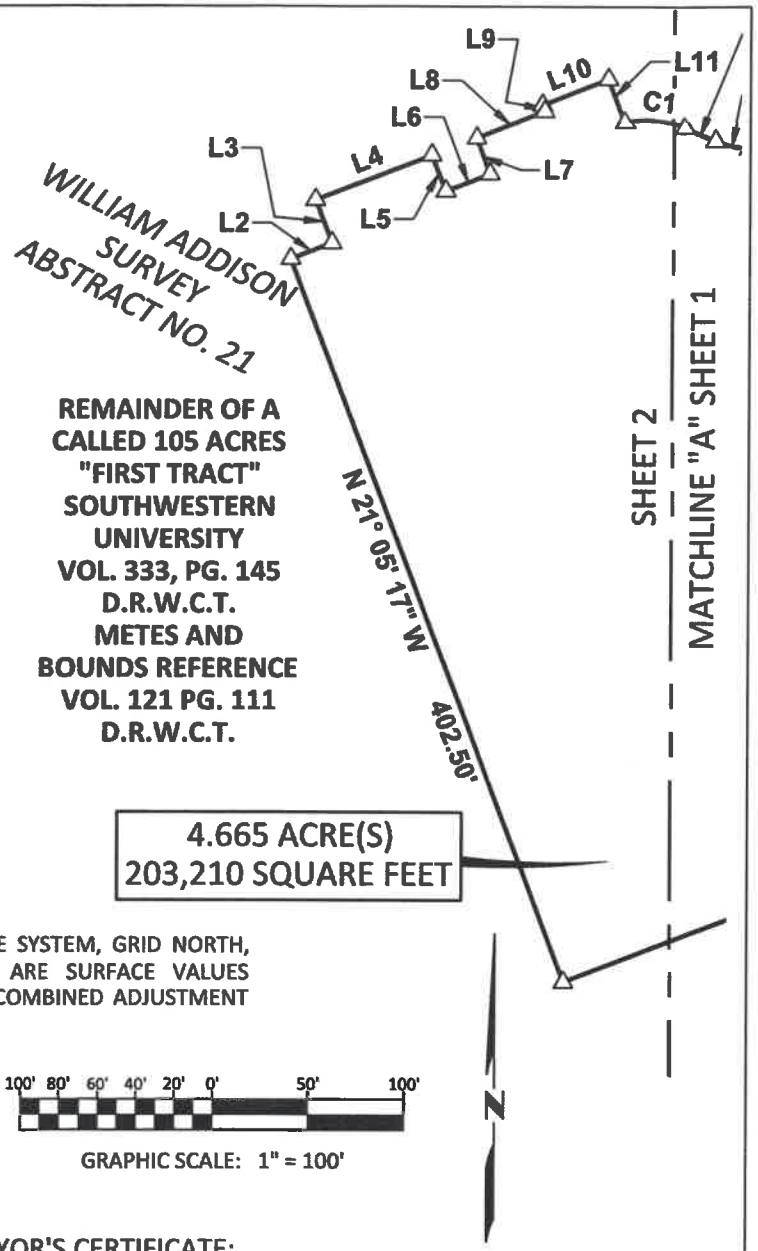
## WILLIAM ADDISON SURVEY, ABSTRACT NO. 21
## CITY OF GEORGETOWN,
## WILLIAMSON COUNTY, TEXAS

| Drawn By: | Checked By: |
|---|---|
| NB | DV |
| Project No.: | Scale: |
| 22948 | 1" = 100' |

Sheet 1 of 2

| Line Table | | | Line Table | | |
|---|---|---|---|---|---|
| Line # | Direction | Length | Line # | Direction | Length |
| L1 | N 74°51'29" W | 97.44' | L10 | N 68°54'43" E | 37.02' |
| L2 | N 68°54'43" E | 23.00' | L11 | S 21°05'17" E | 24.11' |
| L3 | N 21°05'17" W | 24.00' | L12 | S 66°48'29" E | 17.01' |
| L4 | N 68°54'43" E | 65.00' | L13 | N 68°58'03" E | 94.68' |
| L5 | S 21°05'17" E | 20.00' | L14 | N 21°05'17" W | 11.02' |
| L6 | N 68°54'43" E | 25.00' | L15 | N 68°54'43" E | 141.00' |
| L7 | N 21°05'17" W | 20.00' | L16 | N 68°54'43" E | 34.00' |
| L8 | N 68°54'43" E | 38.50' | L17 | S 21°05'17" E | 40.00' |
| L9 | N 21°05'19" W | 3.50' | L18 | N 68°54'43" E | 68.85' |

| Curve Table | | | | | |
|---|---|---|---|---|---|
| Curve # | Length | Radius | Delta | Bearing | Chord |
| C1 | 31.84' | 51.50' | 035°25'09" | S 84°31'04" E | 31.33' |
| C2 | 18.18' | 47.50' | 021°55'25" | S 77°46'12" E | 18.06' |

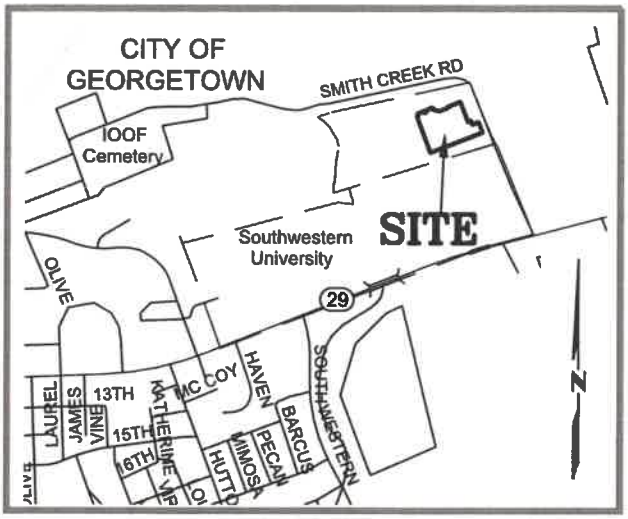



1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000133602065127.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 4.665 ACRES, 203,210 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

100' 80' 60' 40' 20' 0' 50' 100'

GRAPHIC SCALE: 1" = 100'

LOCATION MAP 1" = 2000'




## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON November 21, 2025.

DATE OF PLAT OR MAP: May 18, 2026

CHA

5-19-26


PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700


STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

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Georgetown, TX 78626
512.930.9412 . www.chasolutions.com
FIRM REG. # 10195013


# 4.665 ACRE PARKING LOT

## WILLIAM ADDISON SURVEY, ABSTRACT NO. 21
## CITY OF GEORGETOWN,
## WILLIAMSON COUNTY, TEXAS

| Drawn By: | Checked By: |
|---|---|
| NB | DV |
| Project No.: | Scale: |
| 22948 | 1" = 100' |

# EXHIBIT "C-2"

## FORM OF PARKING EASEMENT

[See Attached]

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

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

# PARKING EASEMENT AGREEMENT

This PARKING EASEMENT AGREEMENT (this "**Agreement**") is made and entered into effective as of the ____ day of _____, 2026 (the "**Effective Date**") by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company ("**Grantor**"), and **CITY OF GEORGETOWN,** a Texas home-rule municipal corporation, a political subdivision of the State of Texas ("**Grantee**" or "**City**").

## RECITALS

A. Grantor is the owner of that certain 4.665-acre tract of land more particularly described on **Exhibit A** attached hereto (the "**Easement Parcel**").

B. Pursuant to that certain Special Warranty Deed (Fee Simple with Conditions Subsequent and Right of Reversion) dated effective as of the Effective Date hereof (the "**Deed**"), by and between Grantor and Grantee, Grantor has conveyed to Grantee that certain 1.830-acre tract of land more particularly described on **Exhibit B** attached hereto (the "**Benefitted Parcel**"), subject to the reversionary interest in favor of Grantor. Grantee intends to construct on the Benefitted Parcel a professional, non-medical office building, except that Grantee may also use up to 5,000 square feet on the first floor of the building for retail or professional, non-medical office use, in accordance with the terms and provisions of that certain Development and Operations Agreement of even date herewith (the "**Development Agreement**"), by and between Grantor and Grantee, as evidenced by that certain Memorandum of Agreement between Grantor and Grantee recorded on or about the date hereof.

C. Subject to the terms, provisions and conditions set forth in this Agreement below, Grantor desires to provide to Grantee, for the benefit of Grantee and the Benefitted Parcel, but only for so long as Grantee owns the fee simple estate to the Benefitted Parcel pursuant to the terms set forth in the Deed, an easement over and across the Easement Parcel for purposes of constructing, maintaining, repairing, replacing, accessing and using surface parking lot improvements (the "**Parking Improvements**") on the Easement Parcel, which Easement Parcel and Parking Improvements will be used in common by Grantor and Grantee, except as otherwise set forth in this Agreement.

## AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor and Grantee (collectively, the "**Parties**"), the Parties agree as follows:

## ARTICLE 1.
## DEFINITIONS

The words set forth below, when used in this Agreement, shall have the following meanings:

1.1 **CC&Rs**. That certain Declaration of Covenants, Conditions and Restrictions for 560 Master Development dated _____, 2026, recorded under Document No. _____ in the Official Public Records of Williamson County, Texas, as affected by that certain Agreement Regarding Governance [560 Master Development] of even date herewith by and between Grantor and Grantee, as both may be further amended and supplemented from time to time.

1.2 **Occupant(s)**. Any Person, from time to time, entitled to the use and occupancy of any portion of the Property under any lease, sublease, license, concession or other similar agreement.

1.3 **Owner(s)**. Any Person, which is from time to time, the record owner of fee simple title to any portion of the Property, its successor or assigns.

1.4 **Parcel(s)**. Each of the Easement Parcel and the Benefitted Parcel, and any subdivisions thereof, and any Future Parcels (if any, as set forth in Section 3.3 below). All of the Parcels are sometimes hereinafter collectively referred to as the "**Parcels**".

1.5 **Permittee(s)**. Any Owner, and its Occupants of any portion of a Parcel and/or the improvements located on the Parcel and the respective employees, agents, contractors, licensees, concessionaires, invitees and governing persons of any such Person.

1.6 **Person(s)**. Individuals, partnerships, firms, associations, corporations, trusts, governmental agencies, administrative tribunals or any other form of business or legal entity, as the context may require.

1.7 **Property**. Collectively, the Easement Parcel, the Benefitted Parcel, and any Future Parcels (if any, as set forth in Section 3.3 below).

Those other terms denoted by an initial capital letter and not defined in this Article 1 shall have the meaning ascribed to them elsewhere in this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

## ARTICLE 2.
## PARKING EASEMENT

2.1 **Grant of Easement**. Subject to the terms, provisions and conditions set forth in this Agreement, Grantor does hereby GRANT AND CONVEY to Grantee for the benefit of Grantee and the Benefitted Parcel during the Term (as defined in Section 7.15 below), and for use by Grantee and its Permittees, a non-exclusive easement (the "**Parking Easement**") on, over, across, under, and upon the Easement Parcel, for purposes of construction, maintenance, repair, and replacement, of the Parking Improvements, and for vehicular and pedestrian access to and use of the Parking Improvements by Grantee and it Permittees during the Term (as hereinafter defined) and in accordance with the terms and provisions of this Agreement. Except as set forth herein below, the Parking Easement shall be used in common with Grantor, its Permittees, and any Future Users (as hereinafter defined) as set forth in this Agreement below. No representation or warranty is made by Grantor to Grantee as to the condition or suitability of the Easement Parcel, and the same is accepted by Grantee in its "AS IS", "WHERE IS", condition, and "WITH ALL FAULTS", and without any representation or warranty by Grantor. Grantee acknowledges and agrees that Grantee's use of the Parking Easement shall be in accordance with all applicable laws, ordinances, regulations and restrictions. The Parking Easement described herein is conveyed and reserved subject to any and all other conditions, restrictions, easements, utility lines, encumbrances or other matters affecting the Property (collectively, the "**Permitted Exceptions**"). Any mortgage loans or deeds of trust hereafter obtained by either Party secured in whole or in part by any portion of the Property shall be subordinate to this Agreement.

2.2 **Initial Construction of Parking Improvements**. Concurrently with the initial construction of Grantee's building and related improvements to be located on the Benefitted Parcel as set forth in the Development Agreement, Grantee shall, at its sole cost, expense and liability, install and construct the Parking Improvements within the Easement Parcel in accordance with the terms and conditions set forth in the Development Agreement, the CC&Rs and this Agreement. It is anticipated that the initial Parking Improvements will consist of, among other things, a total of four hundred two (402) parking spaces (the "**Parking Spaces**") located within the Easement Parcel. In addition to the requirement to comply with the Design Standards set forth in the CC&Rs, such improvements shall include and be constructed in accordance with the following standards (collectively with the Design Standards, the "**Improvements Standards**"):

(i) No wheel stops are allowed within the Easement Parcel unless approved by the City of Georgetown's Public Works Director or its designee;

(ii) All curbs shall be standard six inches (6") in height unless approved by the City of Georgetown's Public Works Director or its designee;

(iii) The dimensions of the Non-Exclusive Parking Spaces and Reserved Visitor Parking Spaces, each as hereinafter defined, shall be twenty feet by ten feet (20' x 10');

(iv) The dimensions of the Reserved Parking Spaces, as hereinafter defined, shall be twenty feet by ten feet (20' x 10'), except that two (2) of the Reserved Parking Spaces shall be forty feet by twelve feet (40' x 12');

(v) The Reserved Parking Spaces may be secured by a fence, being up to eight feet (8') in height, and automatic security gate with a minimum twenty-four (24') wide opening; and

(vi) At all times, pedestrian access to and from Grantee's building located on the Benefitted Parcel and the Non-Exclusive Parking Spaces and Reserved Visitor Parking Spaces shall be available and accessible.

2.3 **Characterization of Parking Spaces**. Upon completion of the Parking Improvements within the Easement Parcel, the Parking Spaces shall be allocated and characterized as follows:

(i) Two Hundred Eight-Six (286) Parking Spaces shall be non-exclusive, to be used in common by Grantor and Grantee, their respective Permittees, and any Future Users as set forth below, on a first-come, first-served basis (the "**Non-Exclusive Parking Spaces**");

(ii) Twenty-Five (25) Parking Spaces shall be exclusive and reserved for Grantee for visitor parking during the business hours of 7:00 a.m. to 6:00 p.m. (the "**Reserved Visitor Parking Spaces**"), of which at least two of the Reserved Visitor Parking Spaces will be accessible as required by the Americans with Disability Act and any other federal, State, county, or local law, regulation, or ordinance. During the non-business hours of 6:00 p.m. to 7:00 a.m., the Reserved Visitor Parking Spaces shall be non-exclusive and may be used in common by Grantor and Grantee, their respective Permittees, and any Future Users as set forth below, on a first-come, first-served basis; and

(iii) Ninety-one (91) Parking Spaces shall be exclusive to Grantee and reserved for Grantee's fleet of vehicles (the "**Reserved Parking Spaces**", and together with the Reserved Visitor Parking Spaces, being referred to herein as the "**Exclusive Parking Spaces**").

Grantor and Grantee may, from time to time, upon written agreement between the parties recorded in the Official Public Records of Williamson County, Texas, amend the allocated number and characterization of the Parking Spaces. Except for the Exclusive Parking Spaces, the Parking Easement and rights and privileges herein granted are non-exclusive.

2.4 **Reserved Rights**. Grantor reserves the right to occupy, use, and improve the Easement Parcel for all purposes not inconsistent with, nor interfering with, the rights granted to Grantee herein. Notwithstanding the foregoing, Grantor specifically reserves the following rights and privileges:

(i) Grantor and Grantee acknowledge that the Benefitted Parcel is the first development within that certain 68.768-acre tract of land owned by Grantor, located in the City of Georgetown, Williamson County, Texas, as more particularly described on **Exhibit C** attached hereto (the "**Project**"), which Grantor intends to develop as a mixed-use project. Grantor and Grantee further acknowledge that the Property is subject to the

CC&Rs. Grantor retains all rights as Declarant pertaining to the Easement Parcel under the CC&Rs, including without limitation the right to enter into one or more declarations of reciprocal easements, restrictions, shared parking agreements, parking licenses, utility easements and other agreements, and to plat and re-plat the Easement Parcel (each, a "**Future Encumbrance**"), provided that any such Future Encumbrance does not materially and adversely affect the rights granted to Grantee herein. Grantor further reserves the right to (a) transfer the Easement Parcel to any property owners' association ("**Association**") established pursuant to the CC&Rs or to a designee of the Grantor in its sole discretion, provided, however, that any such transfer shall be in writing and recorded in the Official Public Records of Williamson County, Texas; and/or (b) expressly assign Grantor's rights and delegate Grantor's obligations under this Parking Easement Agreement to an Association or to a designee of the Grantor, in its sole discretion, provided that any such assignment shall be in writing and recorded in the Official Public Records of Williamson County, Texas.

(ii) Grantee and its Permittees shall comply with all policies, rules, and regulations of Grantor, the CC&Rs, and any Future Encumbrances in effect from time to time (collectively, the "**Governing Documents**"), and Grantor shall not amend or supplement such Governing Documents in a manner that materially and adversely affects the rights granted to Grantee herein without the prior written consent of Grantee, which consent shall not be unreasonably withheld, conditioned or delayed.

(iii) Upon completion of the Parking Improvements, all Parking Improvements located within the Easement Parcel shall be the property of Grantor, and Grantor may, from time to time, elect to maintain, repair, and/or replace the Parking Improvements, provided that any such replacement of the Parking Improvements shall be of equivalent or better quality and condition than the then-existing Parking Improvements and in accordance with the Improvements Standards, and further provided that any such maintenance, repair, and/or replacement of the Parking Improvements shall not materially and adversely affect the rights granted to Grantee herein. Replacement of the Parking Improvements may also, in Grantor's reasonable discretion, include structured parking, provided that such structured parking shall not materially and adversely affect the rights granted to Grantee herein. In furtherance of the foregoing, Grantor may elect to construct on the Easement Parcel, or on another location within the Project, a structured parking garage (the "**Garage**") into which the Parking Easement is relocated, in whole or in part, subject to the terms of Section 2.4(vii) below. It is acknowledged that in order to construct the Garage on the Easement Parcel, Grantor will need to temporarily relocate the Parking Easement, subject to the terms of Section 2.4(vii) below, during the time such Garage is being constructed, and then following completion of the Garage relocate the Parking Easement back, in whole or in part, to the Garage then located on the Easement Parcel. Grantor shall have no obligation whatsoever to construct the Garage, provided that if Grantor elects to construct the Garage on the Easement Parcel, then Grantor and Grantee shall work together in good faith to temporarily relocate the Parking Easement to another location within the Project, pursuant to the terms of Section 2.4(vii) below, to permit construction of the Garage on the Easement Parcel.

(iv) Grantee may, from time to time, at Grantee's sole cost and expense, implement and utilize a parking permit system for the Exclusive Parking Spaces. Further,

Grantee may, at Grantee's sole cost and expense, install signage and other improvements, as necessary, to designate Grantee's Exclusive Parking Spaces, subject to the Design Standards set forth in the CC&Rs.

(v) Grantor will not have any obligation to furnish any attendant to park or deliver vehicles, nor shall Grantor have any liability for damage to, or loss or theft of, any vehicles parked on the Easement Parcel or of any contents left in any such vehicles.

(vi) Grantee shall not, without prior written approval of Grantor, have the right to erect or display any signs, or make any alterations, additions, or modifications to the Parking Improvements, except as otherwise set forth in this Agreement.

(vii) With the prior written consent of Grantee, Grantor may from time to time, at Grantor's sole cost and expense, relocate the Parking Easement and Parking Spaces, in whole or in part, to other locations on, over, and across the Project, subject to the terms set forth below. Grantor shall provide Grantee with written notice of its intent to relocate the Easement Parcel and Parking Spaces, in whole or in part, at least ninety (90) days prior to the commencement of any relocation work. Such notice shall include a description of the proposed new easement area, number and characterization of the parking spaces being relocated, and the anticipated timeline for the relocation work. Such relocation shall not reduce the total number of, or change the characterization of, the then-existing Parking Spaces allocated to Grantee. Furthermore, the relocated parking spaces shall be of the same or better quality and condition as the then-existing Parking Spaces (i.e. such relocated parking spaces shall be on asphalt and striped), and shall be in accordance with the Improvements Standards. Upon completion of the relocation work, Grantor shall provide Grantee with an updated survey and legal description of the new easement area. The Parties shall execute an amendment to this Agreement that legally describes the relocated easement area and further describes the number and characterization of the parking spaces located thereon, and such amendment shall be recorded in the Official Public Records of Williamson County, Texas at the sole expense of Grantor.

## ARTICLE 3.
## MAINTENANCE AND OPERATION OF PARKING IMPROVEMENTS

3.1 **Maintenance and Repair**. It is anticipated that Grantee will construct the Parking Improvements on the Easement Parcel prior to Grantor's development of the remaining portions of the Project. Upon completion of the Parking Improvements at Grantee's sole liability, Grantee shall initially be responsible for performing, or causing to be performed, all maintenance, repair, and replacement of the Parking Improvements, including but not limited to the maintenance, repair and replacement of all asphalt and concrete areas, re-striping and resurfacing, lighting and landscaping (if any), as necessary (collectively, the "**Maintenance Obligations**"). Grantee shall perform all work on the Easement Parcel in a good and workmanlike manner, diligently and in a timely manner, and in accordance with all applicable laws, ordinances and regulations. Upon completion of any such activities, Grantee shall promptly remove all surplus materials and will cause the area to be left as nearly as commercially reasonable and practicable in the condition as it existed prior to such maintenance, repair or replacement.

3.2 **Maintenance Costs**. Maintenance of the Easement Parcel shall include all normal and usual costs of ownership, operation, maintenance, repair and replacement, including, without limitation, ad valorem taxes assessed against the Easement Parcel (if any) (collectively, the "**Maintenance Costs**"). Prior to the Maintenance Takeover (as described in Section 3.3 below), all Maintenance Costs incurred in connection with the foregoing shall be paid by Grantee. Grantee shall cause all bills incurred in connection with ownership, operation, maintenance, repair and replacement of the Easement Parcel to be timely paid, and in the event that any lien or claim of lien shall be filed or asserted against the Easement Parcel in connection with any of the foregoing, Grantee shall cause same to be released of record (by bonding or payment), at Grantee's sole cost, within thirty (30) days after the filing or assertion thereof.

3.3 **Maintenance Takeover**.

(i) Notwithstanding the terms of Section 3.2 above, at such time as (i) any portion of the Project is developed with a building located thereon, as evidenced by a certificate of occupancy or the equivalent thereof (a "**Future Parcel**"), and (ii) the Owner and/or Occupant of such Future Parcel (a "**Future User**") is granted the right to park on the Non-Exclusive Parking Spaces located on the Easement Parcel, as evidenced by a recorded instrument setting forth such right and approved by Grantor and Grantee (items (i) and (ii) being collectively referred to herein as the "**Takeover Contingency**"), then Grantor shall issue a written notice to Grantee (the "**Takeover Notice**") stating that Grantor, Grantor's designee or the Association (as applicable, the "**Maintaining Party**") is taking over the Maintenance Obligations under this Agreement, and the Maintenance Costs incurred in performing the Maintenance Obligations shall be shared, on a proportional basis as set forth below, by Grantee and the Future Users (the "**Maintenance Takeover**"). The Takeover Notice shall be recorded in the Official Public Records of Williamson County, Texas.

(ii) Following the Maintenance Takeover, on an annual basis, the Maintaining Party will invoice Grantee and each Future User for its Proportionate Share of the Maintenance Costs and each party shall pay its Proportionate Share of the Maintenance Costs to the Maintaining Party within thirty (30) days following receipt of the invoice. As used herein, "**Proportionate Share**" means such party's Exclusive Share, plus its Non-Exclusive Share. "**Exclusive Share**" means the percentage obtained by dividing (A) the total number of exclusive Parking Spaces allocated to such party by (B) the total number of Parking Spaces located within the Easement Parcel. "**Non-Exclusive Share**" means the percentage obtained by dividing (C) the remaining percentage of the Maintenance Costs not otherwise designated as an "Exclusive Share" by (D) the total number of Parcels using the Non-Exclusive Parking Spaces. By way of example only, if one Future Parcel is granted the right to use the Non-Exclusive Parking Spaces, then Grantee's Proportionate Share will be 64.5% and the other Future Parcel's Proportionate Share will be 35.5%. Grantee's Proportionate Share will have been determined by adding its Exclusive Share (i.e. 116 Exclusive Parking Spaces / 402 total Parking Spaces = 29%) with its Non-Exclusive Share (i.e. 71% / 2 Parcels utilizing the Non-Exclusive Parking Spaces = 35.5%).

(iii) Notwithstanding anything herein to the contrary, Grantor shall have the right at any time to (x) issue the Takeover Notice to Grantee and elect to take over the Maintenance Obligations under this Agreement as set forth herein, and/or (y) elect to

convey and/or transfer the Easement Parcel and/or the Maintenance Obligations hereunder to Grantor's designee or to the Association as set forth herein. Furthermore, if at the time the Takeover Notice is issued, Grantor, Grantee, and any Future User (if applicable) reasonably determine that (A) it would be most beneficial for Grantee or any such Future User to perform the Maintenance Obligations hereunder, and/or (B) each parties' respective proportionate share of the Maintenance Costs should be calculated differently than as set forth in Section 3.3(ii) above, then at such time, Grantor, Grantee, and any such Future User (if applicable) shall enter into an amendment to this Agreement setting forth which party shall perform the Maintenance Obligations hereunder and granting such party the right to invoice the other parties for their respective proportionate shares of the Maintenance Costs incurred in performing the Maintenance Obligations, and further specifying how each parties respective proportionate shares of the Maintenance Costs shall be calculated if not pursuant to the terms set forth in Section 3.3(ii) above.

## ARTICLE 4.
## INSURANCE

4.1 **Insurance**. Prior to the Maintenance Takeover, Grantee shall maintain, or cause to be maintained, commercial general liability insurance insuring against claims on account of lost life, bodily injury or property damage that may arise from, or be occasioned by its use of the Easement Parcel pursuant to the Parking Easement set forth in this Agreement, or caused by Grantee, or caused by those persons for whose acts and omissions Grantee is legally liable. Grantee shall obtain an insurance policy, according to the provisions hereof, covering its obligations hereunder from a reputable insurance company or companies qualified to issue policies in the State of Texas and that is rated by A.M. Best Company not less than "A-"; and each such policy of insurance shall have limits for loss of life or bodily injury in amounts of not less than One Million Dollars ($1,000,000.00) with respect to injury or death of a single person, (ii) to the limit of not less than Two Million Dollars ($2,000,000.00) in the aggregate, and (iii) to the limit of One Million Dollars ($1,000,000.00) with respect to property damage. Such insurance may be carried under a "blanket" policy or "blanket" policies covering other properties of Grantee and may be subject to such self-insured retentions or deductibles, not to exceed $25,000.00, as Grantee may desire. Grantee shall furnish to Grantor one or more certificates of insurance evidencing the existence of the insurance required above and naming Grantor and any mortgagee of Grantor whose name has been provided to Grantee, as an additional insured. Such policies shall provide for at least thirty (30) days prior written notice of modification (including cancellation) to Grantor. Following the Maintenance Takeover, the Maintaining Party shall maintain, or cause to be maintained, insurance in accordance with the terms hereof and the costs incurred with respect to such insurance shall be a Maintenance Costs as described herein.

## ARTICLE 5.
## REMEDIES

5.1 **Self Help and Other Remedies**. If any Party defaults in the performance of its obligations hereunder and the default is not cured within thirty (30) days following delivery of written notice to such defaulting Party (or if such cure cannot reasonably be performed within thirty (30) days, then if such cure is not commenced within thirty (30) days following delivery of written notice and thereafter completed with reasonable diligence), then the non-defaulting Party

shall have the right to (i) perform such obligation on behalf of the defaulting Party, in which event such defaulting Party shall reimburse such non-defaulting Party for all amounts expended by the non-defaulting Party on behalf of the defaulting Party, together with interest thereon at the rate of the lesser of (a) eighteen percent (18%) per annum, or (b) the maximum amount permitted by law, from the date the amounts are expended until the date repaid; and/or (ii) exercise any other rights or remedies available to the non-defaulting Party either at law or in equity, including without limitation termination of this Agreement. Each defaulting Party agrees to execute any applications for permits or other documents required by the non-defaulting Party or any other third party in order to perform the obligations of the defaulting Party.

5.2 **Non-Waiver**. No delay or omission of any Party hereto in the exercise of any rights created hereunder shall impair such right, or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of an event of default hereunder. A waiver by any Party hereto of a breach of, or default in, any of the terms and conditions of this Agreement by the other Party shall not be construed to be a waiver of any subsequent breach thereof or of any other provision of this Agreement. Except as otherwise specifically provided in this Agreement, no remedy provided in this Agreement shall be exclusive, but shall be cumulative with all other remedies provided for in this Agreement and all other remedies at law or in equity which are available to the Parties. Notwithstanding anything to the contrary set forth herein, in no event shall either Party be liable hereunder for consequential, special or punitive damages of the other Party, and such consequential, special and punitive damages are hereby waived.

## ARTICLE 6.
## NOTICES

All notices, demands, statements, and requests (collectively the "**Notice**") required or permitted to be given under this Agreement must be in writing and shall be deemed to have been properly given or served as of the date hereinafter specified: (i) on the date of personal service upon the Party to whom the notice is addressed or if such Party is not available the date such notice is left at the address of the Party to whom it is directed, (ii) on the date that is three (3) business days after the notice is postmarked by the United States Post Office, provided it is sent prepaid, registered or certified mail, return receipt requested, and (iii) on the date the notice is delivered by a courier service (including Federal Express, Express Mail, Lone Star or similar operation) to the address of the Party to whom it is directed, provided it is sent prepaid, with confirmation of delivery requested. The addresses of the signatories to this Agreement are set forth below:

If to Grantor: SU 560 Land Holdings I LLC
c/o Southwestern University
1001 E. University Avenue
Georgetown, Texas 78627
Attention: Laura S. Trombley

| | |
|---|---|
| With copies to: | Jackson Walker LLP<br>1401 McKinney Street, Suite 1900<br>Houston, Texas 77010<br>Attention: Marisela Peña |
| If to Grantee: | City of Georgetown<br>808 Martin Luther King Street<br>Georgetown, Texas 78626<br>Attention: David Morgan, City Manager |
| With copies to: | City of Georgetown<br>808 Martin Luther King Street,<br>Georgetown Texas, 78626<br>Attn: Skye Masson, City Attorney |

## ARTICLE 7.
## GENERAL PROVISIONS

7.1 **Binding Effect**. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto, as well as the successors and assigns of such Persons. The easement shall be appurtenant to the Benefitted Parcel and for the benefit of the Owners and Occupants thereof, and their respective successors and assigns and shall run with the land. This Agreement shall be construed in accordance with the laws of the State of Texas and all obligations hereunder are performable in Williamson County, Texas.

7.2 **Partial Invalidity**. If any term, covenant or condition of this Agreement or the application of it to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to Persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and shall be enforced to the extent permitted by law.

7.3 **Captions**. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants or conditions contained herein.

7.4 **Gender**. In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

7.5 **Relationship of the Parties**. Nothing contained herein shall be construed to make the parties hereto partners or joint venturers, or render any of such parties liable for the debts or obligations of the other party hereto. Nothing in this Agreement shall be construed to cause any Permittee to hold the status of a third-party beneficiary of this Agreement such that it may enforce this Agreement on its own behalf.

7.6 **Amendment**. This Agreement may be canceled, changed, modified or amended in whole or in part only by the written and recorded agreement of Grantee and the Owner of the

Easement Parcel, and if applicable, consented to by the Owner of a Future Parcel if such amendment increases such Future User's Proportionate Share or causes a reduction in the number of parking spaces such Future User is permitted to use.

7.7 **No Dedication**. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Easement Parcel to the general public or for the general public or for any public purpose whatsoever except as with respect to Grantee's use as provided herein in its capacity as a political subdivision in furtherance of its public purposes, it being the intention that this Agreement shall be strictly limited to and for the purposes herein expressed. This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not specifically benefited by the terms and provisions hereof, nor are any rights granted to a party hereunder assignable to any third party.

7.8 **Division of Property**. If any Parcel is hereafter divided into two or more parts by separation of ownership, each portion of such Parcel shall enjoy the benefits and be subject to the burdens, as applicable, of the rights, easements and restrictions created hereby.

7.9 **Estoppel Certificates**. Upon the request of any Party hereto, the other Party shall issue to any party designated by the requesting Party an appropriate certificate certifying whether the Party to whom the request is made knows of any default under this Agreement or of any assignment, modification or amendment to this Agreement (and the nature and extent of any such default or other known matter) and whether, to that Party's knowledge, this Agreement is in full force and effect. The certificate may be relied upon by a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary and shall constitute a waiver of any claim by the certifying Party based upon facts contrary to the certificate of which that Party had knowledge at the time of making the certificate. The certificate shall not subject the Party furnishing the certificate to any liability for any inaccurate statement which such Party in good faith believed was correct when made or any obligation to correct or disclose any change in the information certified.

7.10 **Counterparts**. This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute but one Agreement.

7.11 **Attorneys Fees**. In the event any legal action or proceeding for the enforcement of any right or obligations herein contained is commenced, the prevailing party in such action or proceeding shall be entitled to recover its costs and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding.

7.12 **Exhibits**. Each exhibit attached to this Easement is hereby incorporated into and made a part of this Agreement.

7.13 **Sovereign Immunity; Capacity; Limited Waiver; Remedies; Authority**.

(i) *Capacity of Grantee*. Grantee shall be deemed a "Lessee" under the CC&Rs and shall be bound by, and shall comply with, all covenants, conditions, restrictions, assessments, easements, architectural standards, maintenance obligations, and other provisions of the CC&Rs applicable to Lessees, except as expressly modified or pre-approved in writing by the parties.

(ii) *No General Waiver; Construction Against Implied Waiver*. Grantor and Grantee expressly recognize that, under Texas law, sovereign or governmental immunity is not waived except by clear and unambiguous legislative permission. Nothing in this Agreement or the CC&Rs shall be construed as a general or implied waiver of sovereign or governmental immunity by Grantee.

(iii) *Contract for Goods and Services.* The parties agree that this Agreement is a subject to Subchapter I, Chapter 271, Texas Local Government Code (the "**Provision**"), as amended from time to time. In addition to the limited waiver set forth in subsection 7.13(iv) below, **Grantee knowingly and expressly waives immunity from suit and liability to the extent that this Agreement or any of the Documents falls under the Provision**.

(iv) *Limited and Express Waiver for Enforcement of Covenants*. **Grantee knowingly and expressly waives immunity from suit, but not from liability except as expressly provided herein**, solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to: (i) determine the parties' respective rights and obligations under this Agreement and any other applicable agreements between Grantee and Grantor (collectively, the "**Documents**") as they pertain to the Benefitted Parcel and the Easement Parcel; and (ii) enforce compliance with the Documents as to such Grantee-owned Benefitted Parcel and the Easement Parcel by means of declaratory and injunctive relief and specific performance. This limited waiver does not extend to any claim for money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against Grantee **except to the extent** such relief is expressly authorized by statute that clearly and unambiguously waives immunity, and then only to the extent of such statutory authorization.

(v) *Venue; Jurisdiction*. Any permitted action against Grantee arising out of or relating to the Documents shall be brought exclusively in a state district court of competent jurisdiction sitting in the county in Texas where the Benefitted Parcel is located.

(vi) **PROHIBITION ON VIOLATION OF STATE LAW AND CONSTITUTION**. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, GRANTOR AND GRANTEE ACKNOWLEDGE AND AGREE THAT GRANTEE SHALL NOT BE REQUIRED TO PERFORM ANY ACT OR TO REFRAIN FROM ANY ACT IF THAT PERFORMANCE OR NON-PERFORMANCE WOULD CONSTITUTE A VIOLATION OF THE CONSTITUTION OR LAWS OF THE STATE OF TEXAS.

7.14 **Assignment**. Grantee shall not assign this Agreement without the prior written consent of Grantor.

7.15 **Term of Agreement**. This Agreement, and the Parking Easement granted herein, shall remain in full force and effect during that period of time commencing on the Effective Date of this Agreement and ending on that date that is the earlier of: (i) expiration of the Ownership Term as set forth in the Deed, or (ii) upon the retaking of the Benefitted Parcel by Grantor due to a Reversionary Right in favor of Grantor as set forth in the Deed, or (iii) this Agreement is terminated by mutual, written agreement of the Owner of the Easement Parcel, Grantee and, if applicable, consented to by the Owner of a Future Parcel if such Future Parcel is benefitted by the Easement Parcel (the "**Term**"). Within three (3) business days after the expiration of the

Term or earlier termination of this Agreement and the Parking Easement, Grantee shall, without charge to Grantor, promptly execute, acknowledge and deliver to Grantor a release of this Agreement and the Parking Easement, in the form attached hereto as **Exhibit D**, which release shall be recorded by Grantor in the Official Public Records of Williamson County, Texas.

[Signature and Notary Pages Follow]

**EXECUTED** effective the date first written above.

**GRANTOR**:

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas
My Commission Expires:_____

[Signature and acknowledgment of Grantee follows on next page.]

**GRANTEE:**

**CITY OF GEORGETOWN,**
a Texas home-rule municipal corporation

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed and in his/her capacity as _____ of City of Georgetown, a Texas home-rule municipal corporation, a political subdivision of the State of Texas, on behalf of said home-rule municipal corporation.

Given under my hand and seal of office this the _____ day of _____ 202_.

_____
Notary Public in and for the State of Texas
My Commission Expires: _____

**After recording return to**:
City of Georgetown
808 Martin Luther King Street
Georgetown, Texas 78626
Attention: David Morgan, City Manager

# EXHIBIT "D-1"

## TEMPORARY CONSTRUCTION AREA

[See Attached]

**DESCRIPTION OF 1.585 ACRES (69,039 SQ. FT.)**

DESCRIPTION OF 1.585 ACRES (69,039 SQ. FT.) OF LAND, DESCRIBED IN TWO PARTS, BOTH LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), AND A PORTION OF THE REMAINDER OF A CALLED 105 ACRE TRACT OF LAND "FIRST TRACT" CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, D.R.W.C.T., DESCRIBED BY METES AND BOUNDS IN VOLUME 121, PAGE 111, D.R.W.C.T., SAID 1.585 ACRES TRACT BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED IN TWO PARTS BY METES AND BOUNDS AS FOLLOWS:

**Part 1 - 1.174 ACRES (51,153 SQ. FT.)**

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 76 acre tract, said point being South 29°05'31" West, a distance of 44.23 feet from the southeast corner of said 105 acre tract and the northeast corner of said 76 acre tract;

**THENCE**, South 49°06'53" West, leaving the west right-of-way line of said County Road 188 and over and across said 76 acre tract, 481.67 feet, to a calculated point, for the north corner and **POINT OF BEGINNING** of the herein described tract;

**THENCE,** over and across said 76 acre tract, the following seven (7) courses and distances:

1. **South 68° 56' 22" East**, a distance of **99.16** feet, to a calculated point at the beginning of a curve to the right, having a radius of 100.00 feet;
2. With said curve to the right, an arc distance of 27.91 feet, through a central angle of 015°59'24" and a chord that bears **South 60° 56' 44" East**, a distance of **27.82**

feet, to a calculated point at the beginning of a curve to the left, having a radius of 100 feet;

3. With said curve to the left, an arc distance of 43.99 feet, through a central angle of 025°12'09" and a chord that bears **South 08° 02' 30" East**, a distance of **43.63** feet, to a calculated point;
4. **South 20° 38' 29" East**, a distance of **143.81** feet, to a calculated point, for the southeast corner of the herein described tract, from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of said County Road 188 and the east line of said 76 acre tract, bears South 85°30'21" East, 427.83 feet;
5. **South 69° 21' 31" West**, a distance of **229.23** feet, to a calculated point, for the southwest corner of the herein described tract;
6. **North 21° 05' 17" West**, a distance of **152.49** feet, to a calculated point; and
7. **North 30° 03' 11" East**, a distance of **191.16** feet, to the **POINT OF BEGINNING**, and containing 1.174 acres of land, more or less, within these metes and bounds.

**Part 2 – 0.411 ACRES (17,886 SQ. FT.)**

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 76 acre tract, said point being South 29°05'31" West, a distance of 44.23 feet from the southeast corner of said 105 acre tract and the northeast corner of said 76 acre tract;

**THENCE**, North 85°17'23" East, leaving the west right-of-way line of said County Road 188 and over and across said 76 acre tract and said 105 acre remainder tract, 706.07 feet, to a calculated point, for the southeast corner and **POINT OF BEGINNING** of the herein described tract;

**THENCE,** continuing over and across said 105 acre remainder tract, the following four (4) courses and distances:

1. **South 68° 55' 02" West**, a distance of **119.21** feet, to a calculated point, for the southwest corner of the herein described tract;
2. **North 21° 05' 16" West**, a distance of **150.03** feet, to a calculated point, for the northwest corner of the herein described tract,

3. **North 68° 54' 43" East**, a distance of **119.21** feet, to a calculated point, for the northeast corner of the herein described tract, from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of said County Road 188 and the east line of said 105 acre remainder tract, bears North 65°24'47" East, 644.85 feet; and
4. **South 21° 05' 17" East**, a distance of **150.04** feet, to the **POINT OF BEGINNING**, and containing 0.411 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are surface values represented in U.S. Survey feet based on a surface-to-grid combined adjustment factor of 1.000130000097829.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

Steger & Bizzell Engineering Inc.

4-15-26

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

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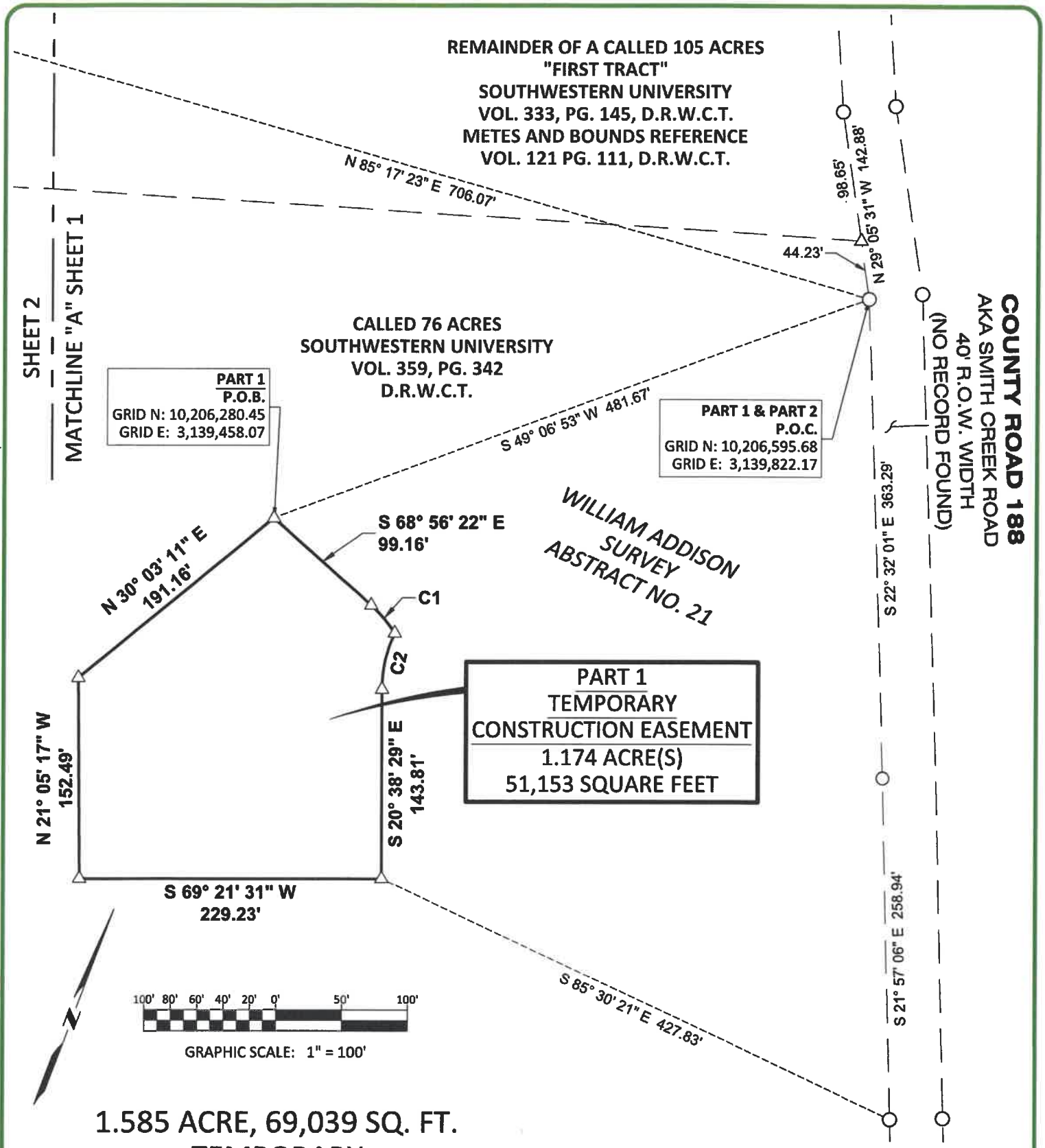


# 1.585 ACRE, 69,039 SQ. FT. TEMPORARY CONSTRUCTION EASEMENT WILLIAM ADDISON SURVEY ABSTRACT NO. 21

City of Georgetown
Williamson County, Texas

STEGER BIZZELL

| | | | |
|---|---|---|---|
| ADDRESS | 1978 S. AUSTIN AVENUE | GEORGETOWN, TX 78626 | |
| METRO 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 | WEB | STEGERBIZZELL.COM |
| SERVICES | >>ENGINEERS >>PLANNERS >>SURVEYORS | | |

DATE 04/13/2026 JOB NO. 22948 SHEET 1 OF 3

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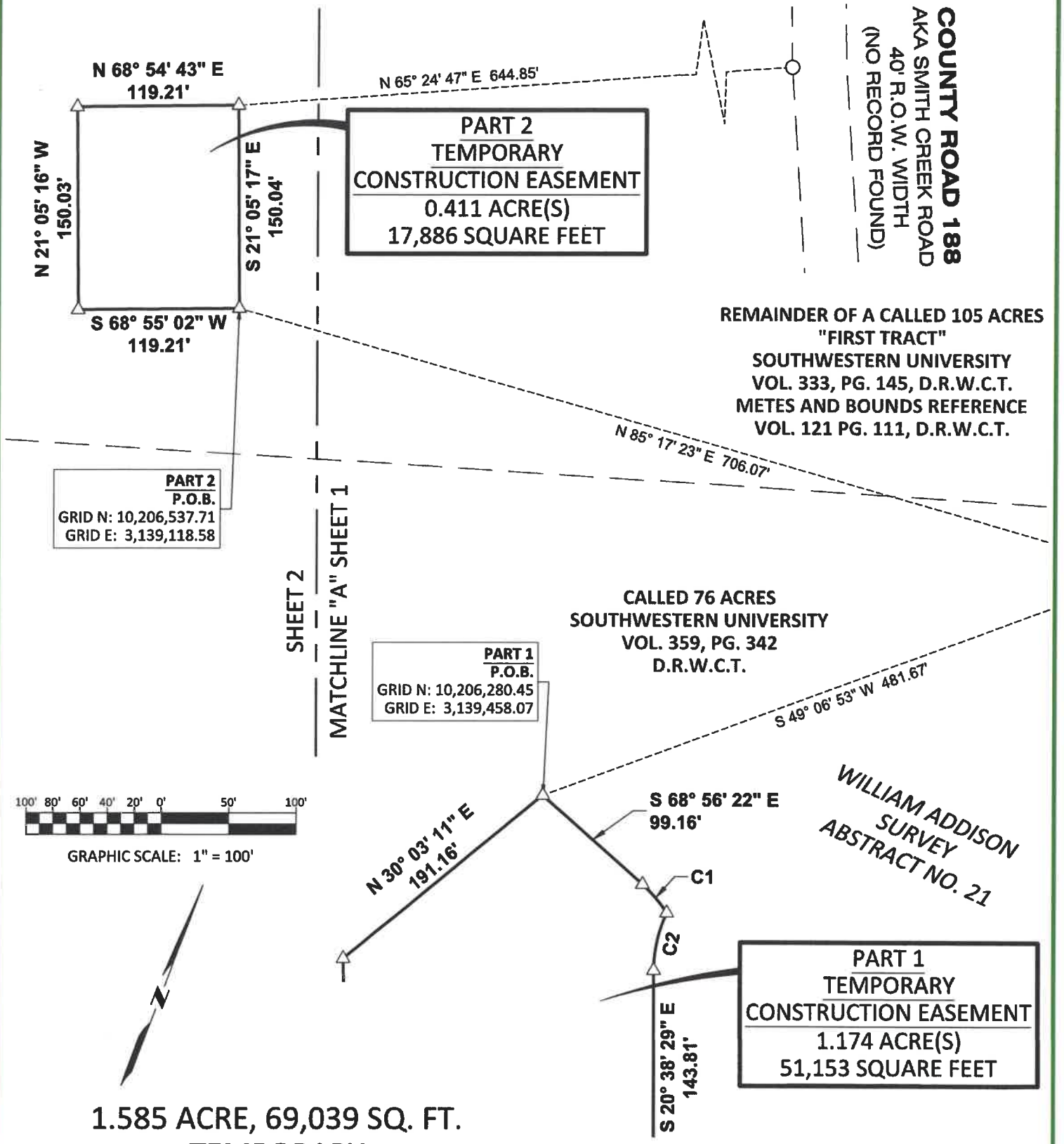


# 1.585 ACRE, 69,039 SQ. FT. TEMPORARY CONSTRUCTION EASEMENT WILLIAM ADDISON SURVEY ABSTRACT NO. 21

City of Georgetown
Williamson County, Texas

STEGER BIZZELL

| | | | |
|---|---|---|---|
| ADDRESS | 1978 S. AUSTIN AVENUE | GEORGETOWN, TX 78626 | |
| METRO 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 | WEB | STEGERBIZZELL.COM |
| SERVICES | >>ENGINEERS >>PLANNERS >>SURVEYORS | | |

DATE 04/13/2026 JOB NO. 22948 SHEET 2 OF 3

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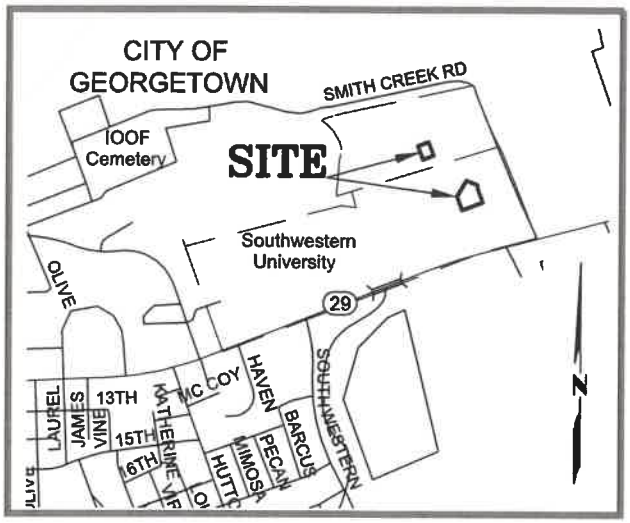
# LEGEND

| | |
|---|---|
| ——— | PROPERTY BOUNDARY LINE |
| — — — — | PROPERTY ADJOINER LINE |
| ○ | IRON ROD WITH CAP STAMPED "CHA BOUNDARY POINT" SET |
| △ | CALCULATED POINT |
| VOL./PG. | VOLUME, PAGE |
| R.O.W. | RIGHT-OF-WAY |
| D.R.W.C.T. | DEED RECORDS OF WILLIAMSON COUNTY, TEXAS |
| P.O.B. | POINT OF BEGINNING |
| P.O.C. | POINT OF COMMENCEMENT |

LOCATION MAP 1" = 2000'




| Curve Table | | | | | |
|---|---|---|---|---|---|
| Curve # | Length | Radius | Delta | Bearing | Chord |
| C1 | 27.91' | 100.00' | 015°59'24" | S 60°56'44" E | 27.82' |
| C2 | 43.99' | 100.00' | 025°12'09" | S 08°02'30" E | 43.63' |

1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000130000097829.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 1.585 ACRES, 69,039 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON NOVEMBER 21, 2025.

DATE OF PLAT OR MAP: April 14, 2026

STEGER & BIZZELL ENGINEERING, INC

4-15-26


PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700


STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

# 1.585 ACRE, 69,039 SQ. FT. TEMPORARY CONSTRUCTION EASEMENT WILLIAM ADDISON SURVEY ABSTRACT NO. 21

City of Georgetown
Williamson County, Texas


STEGER BIZZELL
ADDRESS 1978 S. AUSTIN AVENUE GEORGETOWN, TX 78626
METRO 512.930.9412 TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 WEB STEGERBIZZELL.COM
SERVICES >>ENGINEERS >>PLANNERS >>SURVEYORS


DATE 04/13/2026 JOB NO. 22948 SHEET 3 OF 3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**DESCRIPTION OF 0.586 ACRES (25,509 SQ. FT)**

DESCRIPTION OF A 0.586 ACRE (25,509 SQ. FT) TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), SAID 0.586 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED IN TWO PARTS BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING**, at calculated point on the north right-of-way line of State Highway 29, also know as University Avenue, being a variable width right-of-way, and the south line of said 76 acre tract, for the southeast corner and **POINT OF BEGINNING** of the herein described tract; from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found) and the north right-of-way line of said State Highway 29 and the southeast corner of said 76 acre tract, bears North 74°56'55" East, 372.53 feet;

**THENCE, South 74°56'55" West**, with the north right-of-way line of said State Highway 29 and the south line of said 76 acre tract, a distance of **25.12** feet, to a calculated point on the north line of said State Highway 29 and the south line of said 76 acre tract, for the southwest corner of the herein described tract;

**THENCE,** leaving the north right-of-way line of said State Highway 29 and over and across said 76 acre tract, the following thirteen (13) courses and distances:

1. **North 20° 38' 29" West**, a distance of **646.35** feet, to a calculated point at the beginning of a curve to the right, having a radius of 100.00 feet;
2. With said curve to the right, an arc distance of 68.24 feet, through a central angle of 039°06'01" and a chord that bears **North 01° 05' 38" West**, a distance of **66.93** feet, to a calculated point at the beginning of a curve to the left, having a radius of 25.00 feet;

3. With said curve to the left, an arc distance of 38.59 feet, through a central angle of 088°26'29" and a chord that bears **North 25° 46' 02" West**, a distance **34.88** feet, to a calculated point;

4. **North 69° 59' 16" West**, a distance of **124.92** feet, to a calculated point, for the northwest corner of the herein described tract;
5. **North 68° 54' 43" West**, a distance of **38.03** feet, to a calculated point;
6. **South 69° 59' 16" East**, a distance of **96.26** feet, to a calculated point and at the beginning of a curve to the left, having a radius of 25.00 feet;
7. With said curve to the left, an arc distance of 39.28 feet, through a central angle of 090°00'00" and a chord that bears **North 65° 00' 44" East**, a distance **35.36** feet, to a calculated point;
8. **North 19° 54' 48" East**, a distance of **80.66** feet, to a calculated point;
9. **North 68° 54' 43" East**, a distance of **8.50** feet, to a calculated point at the beginning of a curve to the left, having a radius of 155.26 feet;
10. With said curve to the left, an arc distance of 26.94 feet, through a central angle of 009°56'36" and a chord that bears **North 64° 08' 53" East**, a distance **26.91** feet, to a calculated point, for the northeast corner of the herein described tract, from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of said County Road 188 and the east line of said 76 acre tract, bears North 41°07'51" East, 239.30 feet;
11. **South 20° 00' 44" West**, a distance of **177.22** feet, to a calculated point at the beginning of a curve to the left, having a radius of 75.00 feet;
12. With said curve to the left, an arc distance of 53.22 feet, through a central angle of 040°39'32" and a chord that bears **South 00° 18' 53" East**, a distance **52.11** feet, to a calculated point; and

13. **South 20° 38' 29" East**, a distance of **648.73** feet, to the **POINT OF BEGINNING**, and containing 0.586 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are surface values represented in U.S. Survey feet based on a surface-to-grid combined adjustment factor of 1.000130000097829.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

Steger & Bizzell Engineering Inc.

4-15-26

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

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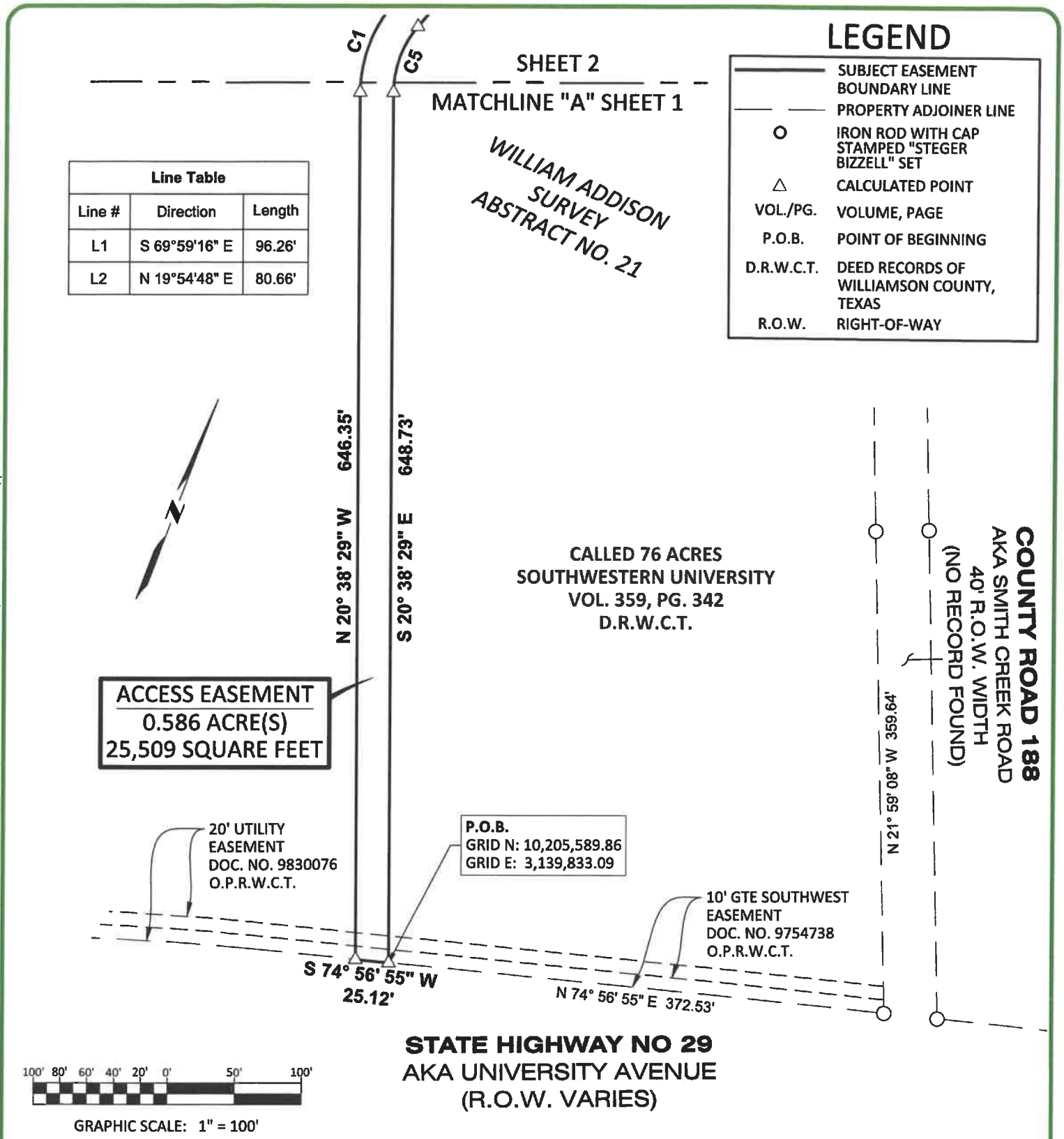


| Line Table | | |
|---|---|---|
| Line # | Direction | Length |
| L1 | S 69°59'16" E | 96.26' |
| L2 | N 19°54'48" E | 80.66' |

# 0.586 ACRE, 25,509 SQ. FT.
# ACCESS EASEMENT
# WILLIAM ADDISON SURVEY
# ABSTRACT NO. 21
# City of Georgetown
# Williamson County, Texas

STEGER BIZZELL

| | | | |
|---|---|---|---|
| ADDRESS | 1978 S. AUSTIN AVENUE | GEORGETOWN, TX 78626 | |
| METRO | 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 | WEB STEGERBIZZELL.COM |
| SERVICES | >>ENGINEERS >>PLANNERS >>SURVEYORS | | |

DATE 04/13/2026 JOB NO. 22948 SHEET 1 OF 2

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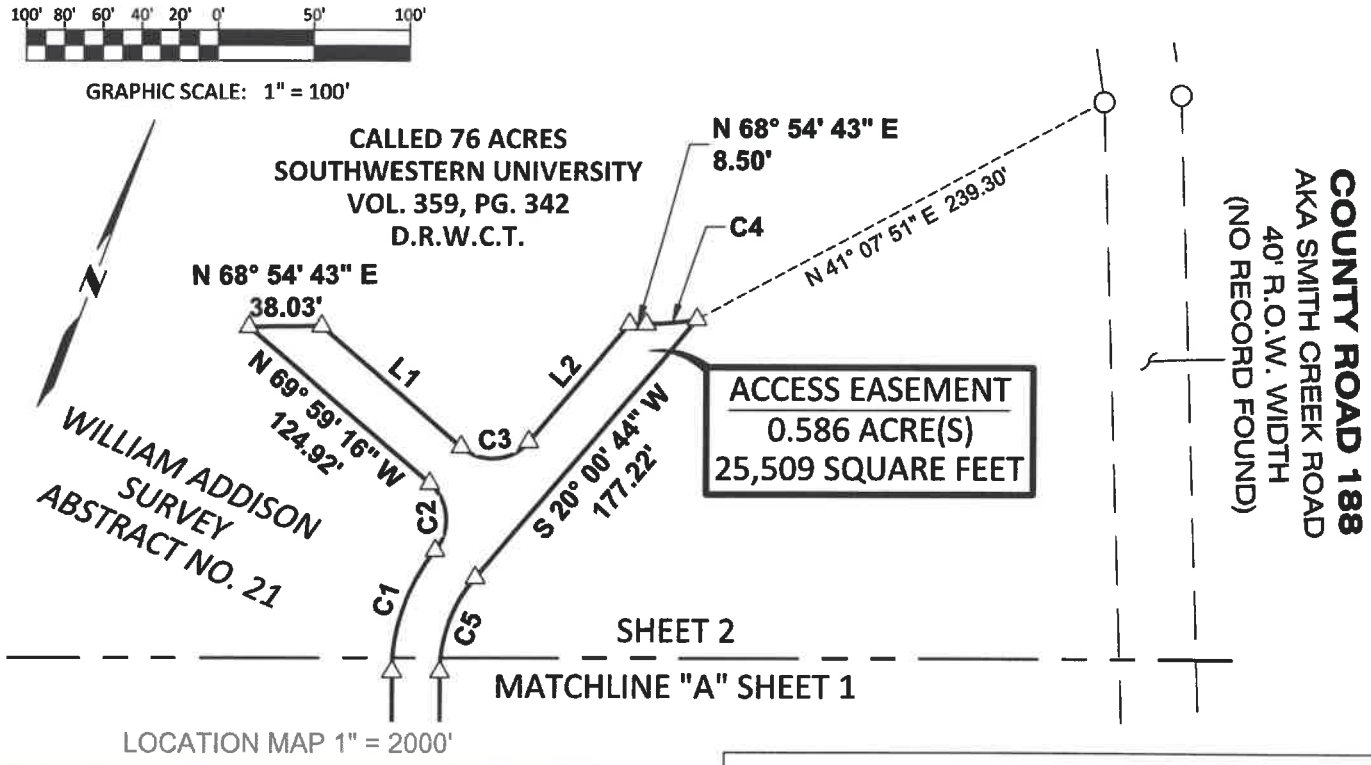
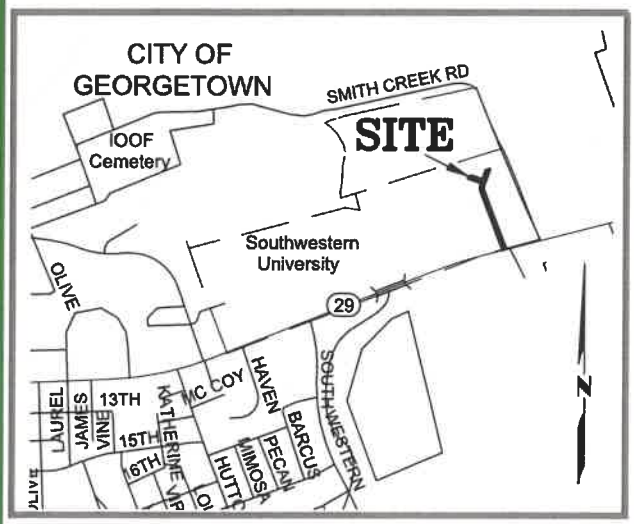



LOCATION MAP 1" = 2000'




| Curve Table | | | | | |
|---|---|---|---|---|---|
| Curve # | Length | Radius | Delta | Bearing | Chord |
| C1 | 68.24' | 100.00' | 039°06'01" | N 01°05'38" W | 66.93' |
| C2 | 38.59' | 25.00' | 088°26'29" | N 25°46'02" W | 34.88' |
| C3 | 39.28' | 25.00' | 090°00'00" | N 65°00'44" E | 35.36' |
| C4 | 26.94' | 155.26' | 009°56'36" | N 64°08'53" E | 26.91' |
| C5 | 53.22' | 75.00' | 040°39'32" | S 00°18'53" E | 52.11' |

1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000130000097829.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 0.586 ACRES, 25,509 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON November 21, 2025.

DATE OF PLAT OR MAP: April 13, 2026

STEGER & BIZZELL ENGINEERING, INC

4-15-26

PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700

STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

# 0.586 ACRE, 25,509 SQ. FT.
# ACCESS EASEMENT
# WILLIAM ADDISON SURVEY
# ABSTRACT NO. 21
## City of Georgetown
## Williamson County, Texas

STEGER BIZZELL
ADDRESS 1978 S. AUSTIN AVENUE GEORGETOWN, TX 78626
MAIN 512.930.9412 TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 WEB STEGERBIZZELL.COM
SERVICES >>ENGINEERS >>PLANNERS >>SURVEYORS

DATE 04/13/2026 JOB NO. 22948 SHEET 2 OF 2

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# EXHIBIT "D-2"

## FORM OF TEMPORARY CONSTRUCTION EASEMENT

[See Attached]

# TEMPORARY CONSTRUCTION AND ACCESS EASEMENT

**STATE OF TEXAS** §
§ **KNOW ALL BY THESE PRESENTS**
**COUNTY OF WILLIAMSON** §

This Temporary Construction and Access Easement (this "**Agreement**") is made on the ____ day of _____, 2026, by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company, whose address is c/o Southwestern University, 1001 E. University Avenue, Georgetown, Texas 78627 (hereinafter referred to as "**Grantor**"), and the **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation, whose address is P.O. Box 409, Georgetown, Texas, 78627 (herein referred to as "**Grantee**").

1. For the good and valuable consideration described in Paragraph 2 below, Grantor does hereby GRANT and CONVEY to Grantee, subject to the Permitted Encumbrances (as hereinafter defined) and the terms and conditions set forth in this Agreement, two (2) temporary construction easements (collectively, the "**Easement**") on, over, under, and across the following described properties of the Grantor, to wit:

   Being all that certain 1.174-acre tract, piece or parcel of land lying and being situated in the County of Williamson, State of Texas, being more particularly described by metes and bounds in **Exhibit A** and by diagram in **Exhibit A-1** attached hereto and made a part hereof for all purposes (the "**Part 1**"); and

   Being all that certain 0.411-acre tract, piece or parcel of land lying and being situated in the County of Williamson, State of Texas, being more particularly described by metes and bounds in **Exhibit A** and by diagram in **Exhibit A-1** attached hereto and made a part hereof for all purposes (the "**Part 2**"; and collectively with Part 1 being referred to herein as the "**Easement Area**").

2. The Easement and the rights and privileges herein conveyed are granted for and in consideration of the sum of ONE AND NO/100 DOLLARS ($1.00) and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed.

3. The Easement, with its rights and privileges, shall be used by Grantee, its employees, agents, consultants, and contractors, only for construction purposes, namely for the purpose of temporarily storing supplies, trucks, construction vehicles, construction equipment, and utility equipment and related facilities on and within the Easement Area, and for the purpose of traversing on, over and across the Easement Area and the Access Route (as hereinafter defined) in connection with the proposed project (the "**Project**") to construct and install public improvements within an area adjoining the Easement Area (the "**Easement Purpose**"), in accordance with that certain

Development and Operations Agreement dated as of the date hereof, by and between Grantor and Grantee, as evidenced by a Memorandum of Development and Operations Agreement dated as of the date hereof and recorded in the Official Public Records of Williamson County, Texas (the "**Development Agreement**").

4. Grantor and Grantee acknowledge and agree that access to and from the Easement Area and State Highway No. 29 shall be via the access route more particularly described by metes and bounds on **Exhibit B** and by diagram in **Exhibit B-1** attached hereto and made a part hereof for all purposes (the "**Access Route**"). Grantee shall not have the right to access any other portion of the Grantor's property, except for the Easement Area and the Access Route as set forth in this Agreement, without Grantor's prior written consent. Notwithstanding the foregoing, if, in connection with Grantor's development of Grantor's property, Grantor needs to relocate the Access Route, then Grantor shall have the right to relocate such Access Route with at least seven (7) business days prior written notice to Grantee; provided that such relocated Access Route is reasonably acceptable to Grantee. All terms and conditions set forth in this Agreement applicable to the "Easement" and the "Easement Area" shall further be applicable to the access right set forth in this Paragraph 4 and the Access Route, respectively.

5. This Agreement and the Easement shall be in effect from the date construction begins on the Project and shall expire upon completion of construction of the Project or three (3) years from the date of execution hereof, whichever occurs first (the "**Termination Date**").

6. Grantee shall comply with all federal, state, municipal and other laws, ordinances, rules and regulations applicable to the use of the Easement Area. Grantee shall comply with the terms and conditions of the Development Agreement, as applicable to this Easement and the rights granted herein. Grantee, at its sole cost and expense, shall maintain the Easement Area in a good, clean and well-maintained condition, which shall include promptly removing all trash and debris therefrom. After completion of the construction of the Project, but in any event, prior to the Termination Date, Grantee shall, at Grantee's sole cost, remove all trash, debris, construction equipment, vehicles and other construction materials from the Easement Area, and shall return the Easement Area to like or better condition, or as close thereto as reasonably possible.

7. Grantor and Grantor's heirs, personal representatives, successors, and assigns are and shall be bound to WARRANT and FOREVER DEFEND the Easement and the rights conveyed in this Agreement to Grantee, against every person lawfully claiming or to claim all or any part thereof, by, through or under Grantor by not otherwise; subject to the matters set forth herein and further subject to all matters of record in Williamson County, Texas, which are valid, subsisting, and affect the Easement Area (the "**Permitted Encumbrances**").

8. The Easement herein created is not exclusive, and Grantor hereby expressly reserves the right, for itself and its successors and assigns, without the prior written consent of Grantee, to grant such other, similar or dissimilar, easements, rights, benefits, rights-of-way and privileges to such other persons and for such other purposes, including, without limitation, the right to grant utility or other required easements to utility providers or governmental authorities on the Easement Area, and to make or construct improvements over, across, upon and under the Easement Area as Grantor, in its sole and absolute discretion, may elect; *provided, however,* any such easements, rights, benefits, rights-of-way and privileges hereafter granted, and such improvements hereafter made or constructed upon, over, across or under such Easement Area shall not unreasonably interfere with, or unreasonably restrict the use of, the Easement by Grantee for the Easement Purpose.

9. GRANTEE ACCEPTS THIS AGREEMENT, THE EASEMENT, AND THE EASEMENT AREA AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS, LATENT OR OTHERWISE. GRANTOR MAKES NO IMPLIED OR EXPRESS REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER REGARDING THIS AGREEMENT, THE EASEMENT, OR THE EASEMENT AREA. ALL SUCH REPRESENTATIONS AND WARRANTIES, AS WELL AS ANY IMPLIED WARRANTIES, ARE HEREBY EXPRESSLY DISCLAIMED. GRANTEE FULLY RELEASES GRANTOR AND GRANTOR'S PARENT AND ALL SUBSIDIARIES, PARTNERS, MEMBERS, REPRESENTATIVES, AGENTS, EMPLOYEES, AND CONSULTANTS (EACH, A "**GRANTOR PARTY**"), FROM LIABILITY FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES WITH RESPECT TO THE EASEMENT AREA, THE EASEMENT, OR THIS AGREEMENT EXCEPT FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES RESULTING FROM THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE GRANTOR PARTY. THIS PROVISION WILL SURVIVE THE TERMINATION OR RELEASE OF THIS AGREEMENT.

10. This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this instrument shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by all parties.

11. The terms of this Agreement shall be binding upon Grantors, and Grantors' heirs, personal representatives, successors, and assigns; shall bind and inure to the benefit of the Grantee and any successors or permitted assigns of Grantee; and shall be deemed to be a covenant running with the land.

12. The Easement is not a public easement or right-of-way and this Agreement is not intended, and shall not be construed, to be a dedication to the public use of the Easement Area.

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on the dates set forth herein.

**GRANTOR**:

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas

My Commission Expires:_____

**GRANTEE**:

**CITY OF GEORGETOWN**,
a Texas home-rule municipal corporation

By: _____
David Morgan, City Manager

**STATE OF TEXAS** §
§
**COUNTY OF WILLIAMSON** §

This instrument was acknowledged before me on this the ___ day of _____, 2026, by David Morgan, City Manager of the City of Georgetown, a Texas home-rule municipal corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

APPROVED AS TO FORM:

_____
Andrew Culpepper, Assistant City Attorney

AFTER RECORDING, RETURN TO GRANTEE:
City of Georgetown
Attn: Real Estate Services
P.O. Box 409
Georgetown, Texas 78627

# EXHIBIT "D-3"

## FORM OF RELEASE OF TEMPORARY CONSTRUCTION EASEMENT

[See Attached]

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

| | | |
|---|---|---|
| THE STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF WILLIAMSON | § | |

# RELEASE AND TERMINATION OF TEMPORARY CONSTRUCTION AND ACCESS EASEMENT

This RELEASE AND TERMINATION OF TEMPORARY CONSTRUCTION AND ACCESS EASEMENT (this "**Release**") is entered into this _____ day of _____, 202__, by **CITY OF GEORGETOWN,** a Texas home-rule municipal corporation ("**Grantee**").

## RECITALS

A. Pursuant to that certain Temporary Construction and Access Easement dated effective _____, 2026, by and between SU 560 LAND HOLDINGS I, LLC, a Texas limited liability company and Grantee, recorded under Document No. _____, in the Official Public Records of Williamson County, Texas (the "**Easement Agreement**"), Grantee is the holder of a temporary construction and access easement as more specifically set forth in the Easement Agreement (the "**Easement**"), on, over and along the following real property:

See **Exhibit A** attached hereto (the "**Easement Area**");

B. Notwithstanding anything to the contrary provided herein, the term "Easement" shall mean and include the Easement described in the Easement Agreement and any and all other easements and rights-of-way pertaining to the Easement Area.

C. As of the date hereof, Grantee desires to release and terminate the Easement and Easement Agreement in their entirety.

**NOW THEREFORE**, for and in consideration of One and No/100 Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantee hereby recites and agrees as follows:

1. **Release and Termination**. Grantee does hereby release and terminate the Easement and Easement Agreement and any and all other easements and rights-of-way pertaining to the Easement Area in their entirety. From and after the date hereof, the Easement, Easement Agreement, and any and all other easements and rights-of-way pertaining to the Easement Area shall be null and void and of no further force or effect.

2. **Runs With the Land; Binding Effect; Capitalized Terms**. This Release shall run with the land and shall be binding upon and inure to the benefit of the owner of the Easement Area, its successors and assigns from and after the date hereof.

*[Signature Page to Follow]*

EXECUTED to be effective the date first written above.

**GRANTEE**:

**CITY OF GEORGETOWN**,

a Texas home-rule municipal corporation

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed and in his/her capacity as _____ of City of Georgetown, a home-rule municipality, a political subdivision of the State of Texas, on behalf of said home-rule municipality.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas
My Commission Expires: _____

**After recording return to**:
Jackson Walker LLP
1401 McKinney Street, Suite 1900
Houston, Texas 77010
Attention: Marisela Pena

# EXHIBIT "D-4"

## WASTEWATER EASEMENT AREA

[See Attached]

**DESCRIPTION OF EASEMENT**

DESCRIPTION OF A 4.657 ACRES (202,877 SQUARE FEET) TRACT OF LAND, LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN CALLED 117.48 ACRE TRACT OF LAND DESCRIBED IN A GENERAL WARRANTY DEED TO SOUTHWESTERN UNIVERSITY, A NON-PROFIT CORPORATION, OF RECORD IN DOCUMENT NO. 2001018260, OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, (OPR); BEING A PORTION OF THAT CERTAIN CALLED 105 ACRE TRACT OF LAND DESCRIBED IN A DEED TO SOUTHWESTERN UNIVERSITY OF RECORD IN VOL. 333, PAGE 145 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, (DR); BEING A PORTION OF THAT CERTAIN CALLED 8.65 ACRE TRACT OF LAND DESCRIBED IN A GENERAL WARRANTY DEED TO SOUTHWESTERN UNIVERSITY, A NON-PROFIT CORPORATION, OF RECORD IN DOCUMENT NO. 2000068100, OPR; BEING A PORTION OF THAT CERTAIN CALLED 15.223 ACRE TRACT OF LAND DESCRIBED IN AN AGREED ORDER AUTHORIZING SALE OF REAL PROPERTY, TO SOUTHWESTERN UNIVERSITY, OF RECORD IN DOCUMENT NO. 2001007166, OPR; AND BEING A PORTION OF THAT CERTAIN CALLED 200.00 ACRE TRACT OF LAND DESCRIBED IN A DEED TO SOUTHWESTERN UNIVERSITY OF RECORD IN VOL. 318, PAGE 214, DR; SAID 4.657 ACRES (202,877 SQUARE FEET) TRACT OF LAND BEING SURVEYED ON THE GROUND IN MAY, 2026, UNDER THE DIRECT SUPERVISION OF COREY J. HALL, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with plastic cap stamped “STEGER BIZZELL” found for a point on the westerly boundary line of that certain called 110.09 acre tract of land described in a Deed Of Correction and Ratification Of Ownership to the family of Harvey C. Bell, Jr (1/2 undivided interest), Patsy Laird Read, as trustee of Testamentary Trusts Harrell Eugene “Ted” Read (1/3 undivided interest of 1/2 undivided community interest), Patsy Laird Read, as trustee of the Mary Jo Laird Read Management Trust (1/3 undivided interest of 1/2 undivided community interest), and Patsy Laird Read, as trustee of the Mary Jo Laird Read Management Trust (1/3 undivided interest of 1/2 undivided community interest), of record in Document No. 2016058731, OPR, same being the easterly boundary line of said 117.48 acre tract;

THENCE, South 21°27'52" East, with the westerly boundary line of said 110.09 acre tract, and the easterly boundary line of said 117.48 acre tract, for a distance of 229.31 feet to a calculated point for the northeast corner and **POINT OF BEGINNING** of the herein described tract;

1) **THENCE, South 21°27'52" East,** with the common boundary line of said 110.09 acre tract and said 117.48 acre tract, for a distance of **41.89 feet** to a calculated point for the southeast corner of the herein described tract;

**THENCE,** over and across the interior of said 117.48 acre tract, the following three (3) courses:

2) **South 51°14'31" West,** for a distance of **84.17 feet** to a calculated point;

3) **South 57°42'48" West,** for a distance of **1223.17 feet,** to a calculated point, from which point, a 1/2-inch iron rod with plastic cap stamped “RPLS 2218” found for the northeast corner of Lot 1, Estraya Georgetown, a subdivision recorded in Document No. 2018008492, OPR, bears South 73°15’53” East, a distance of 117.72 feet;

4) **South 56°02'45" West,** for a distance of **796.37 feet,** to a calculated point for an exterior ell corner of the herein described tract;

5) **THENCE, South 76°21'29" West,** passing the westerly boundary line of said 117.48 acre tract and the easterly boundary of the aforementioned 8.65 acre tract, passing the westerly boundary line of said 8.65 acre tract and the easterly boundary line of the aforementioned 15.223 acre tract, and continuing through the interior of said 15.223 acre tract, for a distance of **621.77 feet,** to a calculated point for an interior ell corner of the herein described tract;

6) **THENCE, South 65°58'48" West,** passing the westerly boundary line of said 15.223 acre tract, and ;an easterly boundary line of the aforementioned 105 acre tract, for a distance of **774.23 feet** to a calculated point for an exterior ell corner of the herein described tract;

7) **THENCE, South 89°08'02" West,** passing the westerly boundary line of said 105 acre tract, and an easterly boundary line of the aforementioned 200.00 acre tract, for a distance of **839.69 feet** to a calculated point for an interior ell corner of the herein described tract;

**THENCE,** over and across the interior of said 200.00 acre tract, the following five (5) courses:

8) **South 57°18'07" West,** for a distance of **550.34 feet** to a calculated point for an exterior ell corner of the herein described tract;

9) **South 85°29'47" West,** for a distance of **192.91 feet** to a calculated point on an easterly line of that certain called 35 foot wide Wastwater Easement of record in Document No. 2009007145, OPR, for the southwest corner of the herein described tract;

10) **North 09°13'09" East,** with an easterly line of said 35' foot wide Wastewater Easement, for a distance of **41.18 feet** to a calculated point for the northwest corner of the herein described tract;

11) **North 85°29'47" East,** for a distance of **173.10 feet** to a calculated point for an interior ell corner of the herein described tract;

12) **North 57°18'07" East,** for a distance of **551.70 feet** to a calculated point for an exterior ell corner of the herein described tract;

13) **THENCE, North 89°08'02" East,** passing the common boundary line of said 200.00 acre tract and said 105 acre tract, for a distance of **842.90 feet** to a calculated point for an interior ell corner of the herein described tract;

14) **THENCE, North 65°58'48" East,** through the interior of said 105 acre tract, passing the common boundary line of said 105 acre tract and said 15.223 acre tract, and continuing through the interior of said 15.223 acre tract, for a distance of **769.67 feet** to a calculated point for an exterior ell corner of the herein described tract;

15) **THENCE, North 76°21'29" East,** passing the common boundary line of said 15.223 acre tract and aforementioned 8.65 acre tract, passing the common boundary line of said 8.65 acre tract and aforementioned 117.48 acre tract, and continuing through the interior of said 117.48 acre tract, for a distance of **618.23 feet** to a calculated point for an interior ell corner of the herein described tract;

**THENCE,** over and across the interior of said 117.48 tract, the following three (3) courses:

**16) North 56°02'45" East,** for a distance of **789.78** feet to a calculated point;

**17) North 57°42'48" East,** for a distance of **1221.49** feet to a calculated point;

**18) North 51°14'31" East,** for a distance of **94.36** feet to the **POINT OF BEGINNING** and containing 4.657 acres (202,877 square feet) more or less, within these metes and bounds.

Together with a 25 foot wide (2.921 acres, 127,233 square feet) Temporary Construction Easement being adjacent to, parallel with, and southerly to courses 2 through 9, and a 25 foot wide (2.902 acre, 126,415 quare feet) Temporary Construction Easement being adjacent to, parallel with, and northerly to courses 11 through 18, as shown on the attached survey map of the subject tract.

Bearings are based on the Texas Coordinate System of 1983, Central Zone, NAD 83 (2011). All distances are surface values represented in US Survey Feet based on a Grid-to-Surface Combined Adjustment Factor of 1.00013.

The subject tract shown hereon is an easement, monuments were not set for corners.

The foregoing metes and bounds description, and survey on which it was based, is accompanied by and a part of a survey map of the subject tract.

The use of the word "certify" or "certification" on this document only constitutes an expression of professional opinion regarding those facts or findings which are the subject of the certification, and does not constitute a warranty or guarantee, either expressed or implied.

THE STATE OF TEXAS §
§ KNOWN ALL MEN BY THESE PRESENT
COUNTY OF WILLIAMSON §

That I, Corey J. Hall, a Registered Professional Land Surveyor, do hereby certify that the above description and the accompanying sketch is true and correct to the best of my knowledge and belief and the property described herein was determined by a survey made on the ground during the month of May, 2026, under my direct supervision.

WITNESS MY HAND AND SEAL at Round Rock, Williamson County, Texas on this 19th of May, 2026, A.D.

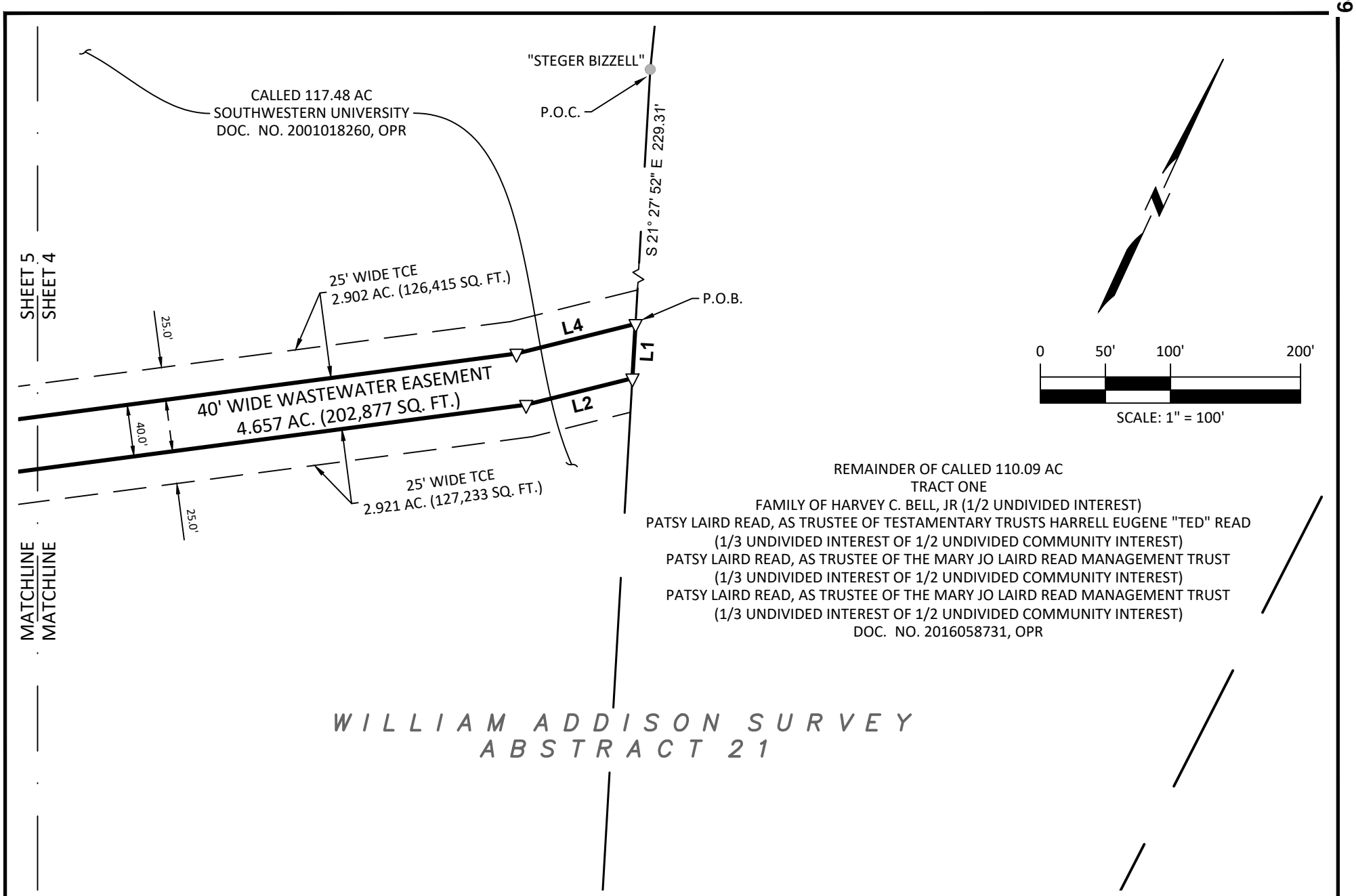
SAM, LLC – Round Rock

Corey J. Hall, R.P.L.S.
Texas Reg. No. 6362

STATE OF TEXAS
REGISTERED
COREY JOSEPH HALL
6362
PROFESSIONAL
LAND SURVEYOR

\\saminc\AUS\PROJECTS\1025106228\100\Survey\07Descriptions\1025106228-ESMT2-DESC.docx

1504 Chisholm Trail Rd #103
Round Rock, TX 78681
TBPELS Firm No. 10064300
512-238-1200 office

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| JOB NUMBER: | 1025106228 |
| DATE: | 05/19/2026 |
| SCALE: | 1" = 100' |
| SURVEYOR: | COREY J. HALL, RPLS |
| TECHNICIAN: | JOHN ALLEN |
| DRAWING: | 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG |
| TRACT ID: | SOUTHWESTERN UNIVERSITY |
| PARTYCHIEF: | BOB BROWN |
| FIELDBOOKS: | 522 |

SAM™
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Building Two, Suite 100
Austin, Texas 78735
Ofc: 512.447.0575
Fax: 512.326.3029
email: info@sam.biz

Texas Firm Registration No. 10064300

PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 4
OF 10

SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

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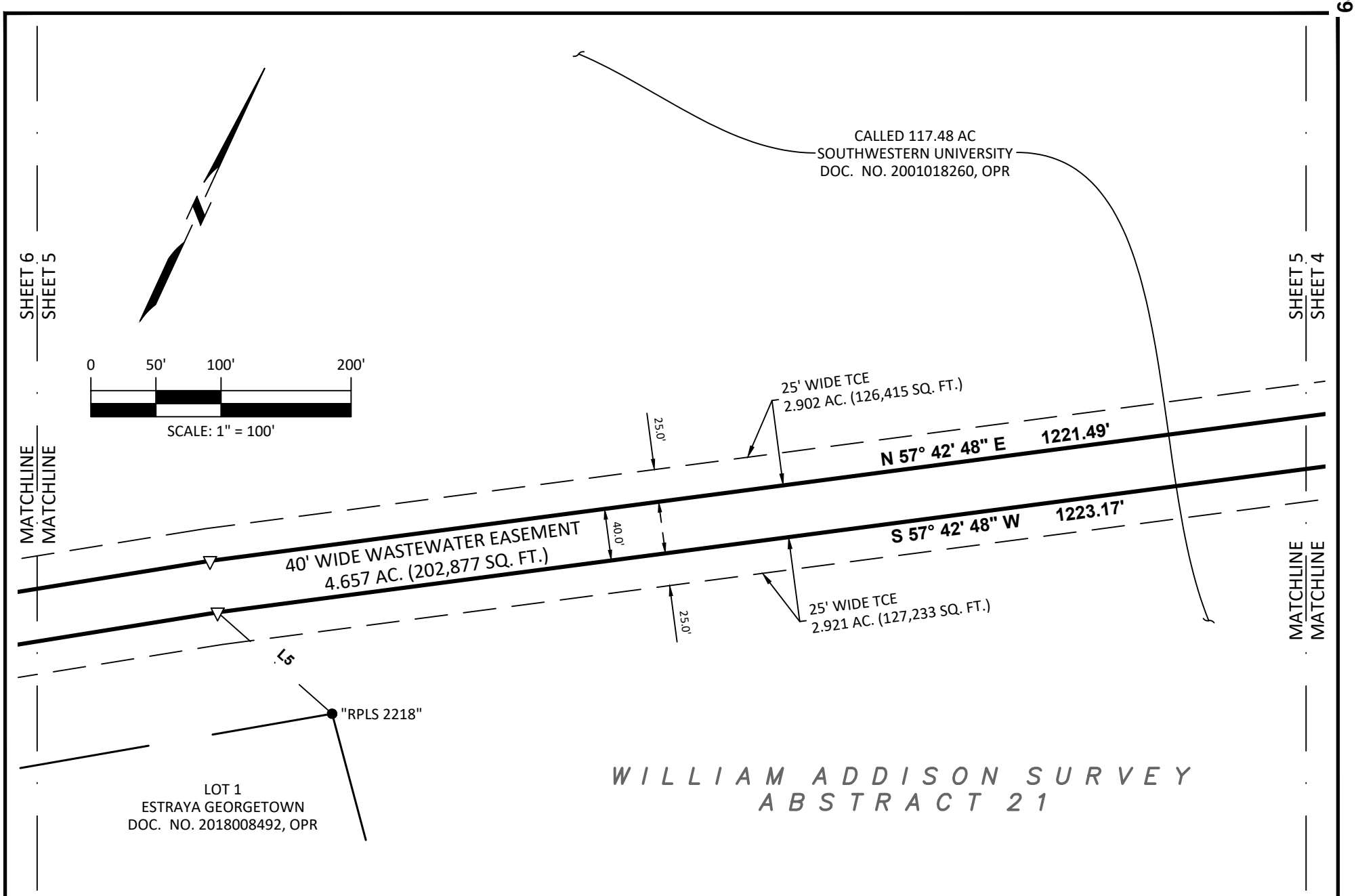


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SHEET 5
OF 10

SKETCH TO ACCOMPANY
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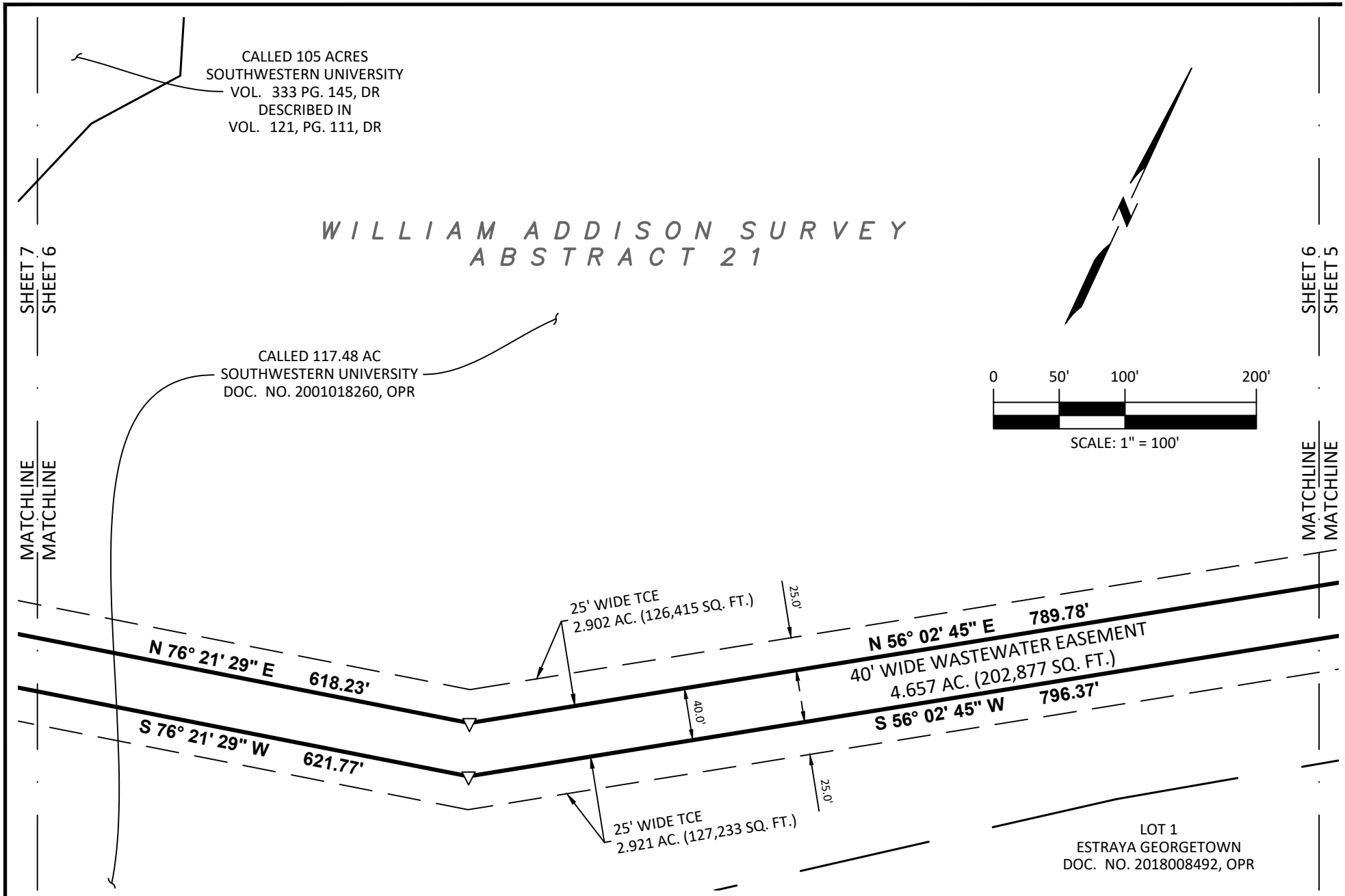


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PROJECT: CDM SMITH
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SHEET 6
OF 10

# SKETCH TO ACCOMPANY DESCRIPTION OF EASEMENT

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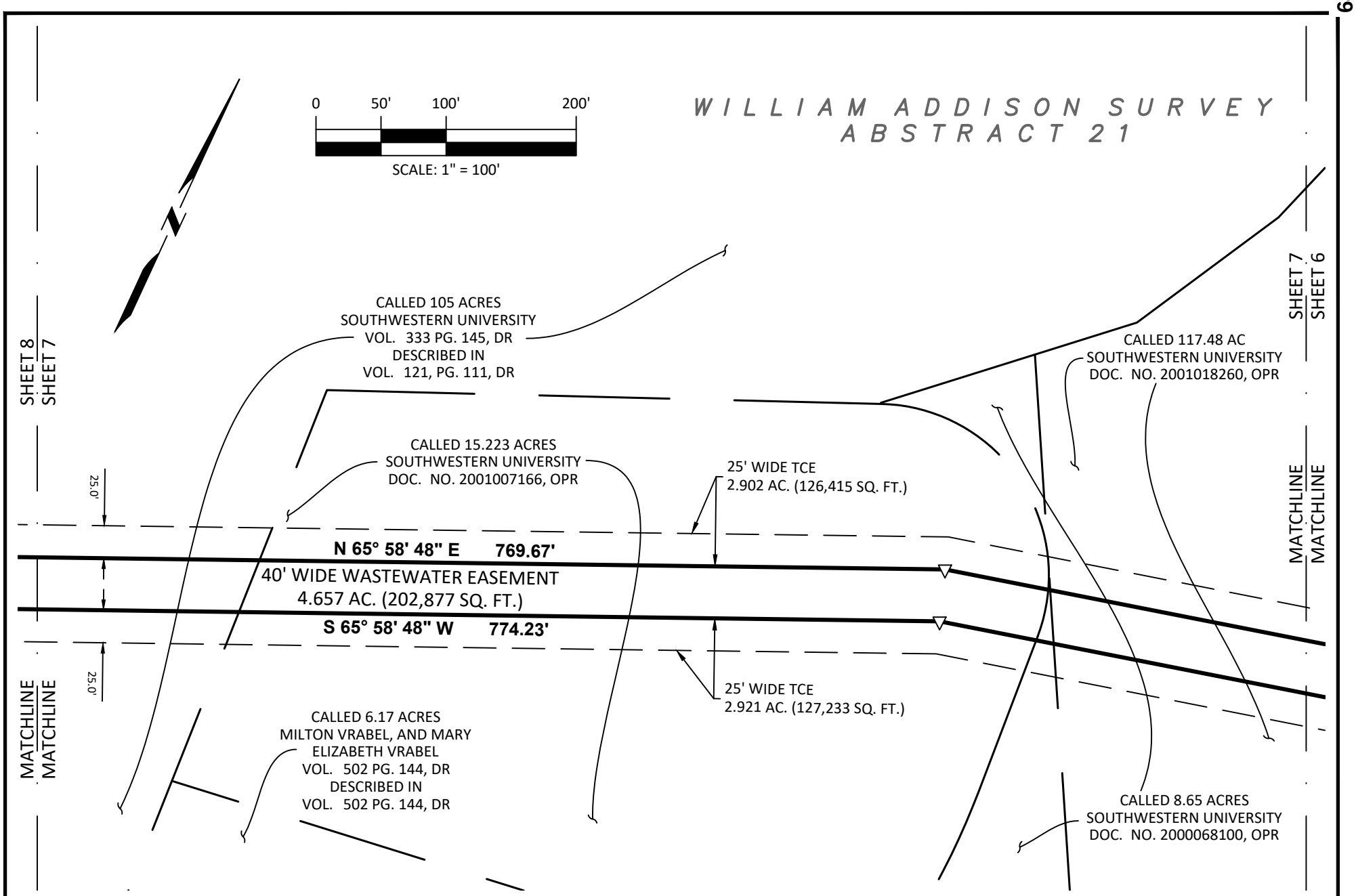


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PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 7
OF 10

# SKETCH TO ACCOMPANY DESCRIPTION OF EASEMENT

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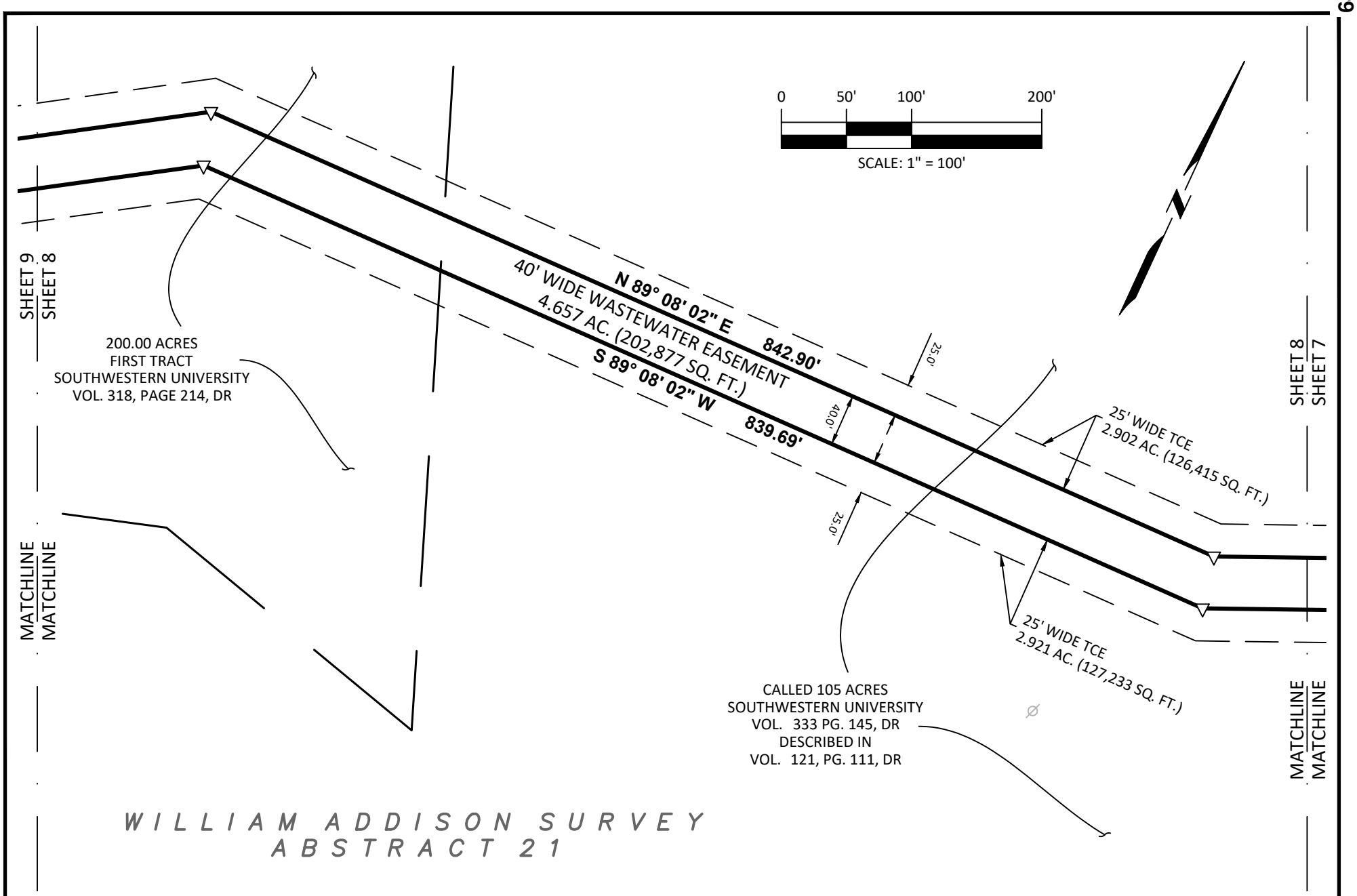


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Austin, Texas 78735
Ofc: 512.447.0575
Fax: 512.326.3029
email: info@sam.biz

Texas Firm Registration No. 10064300

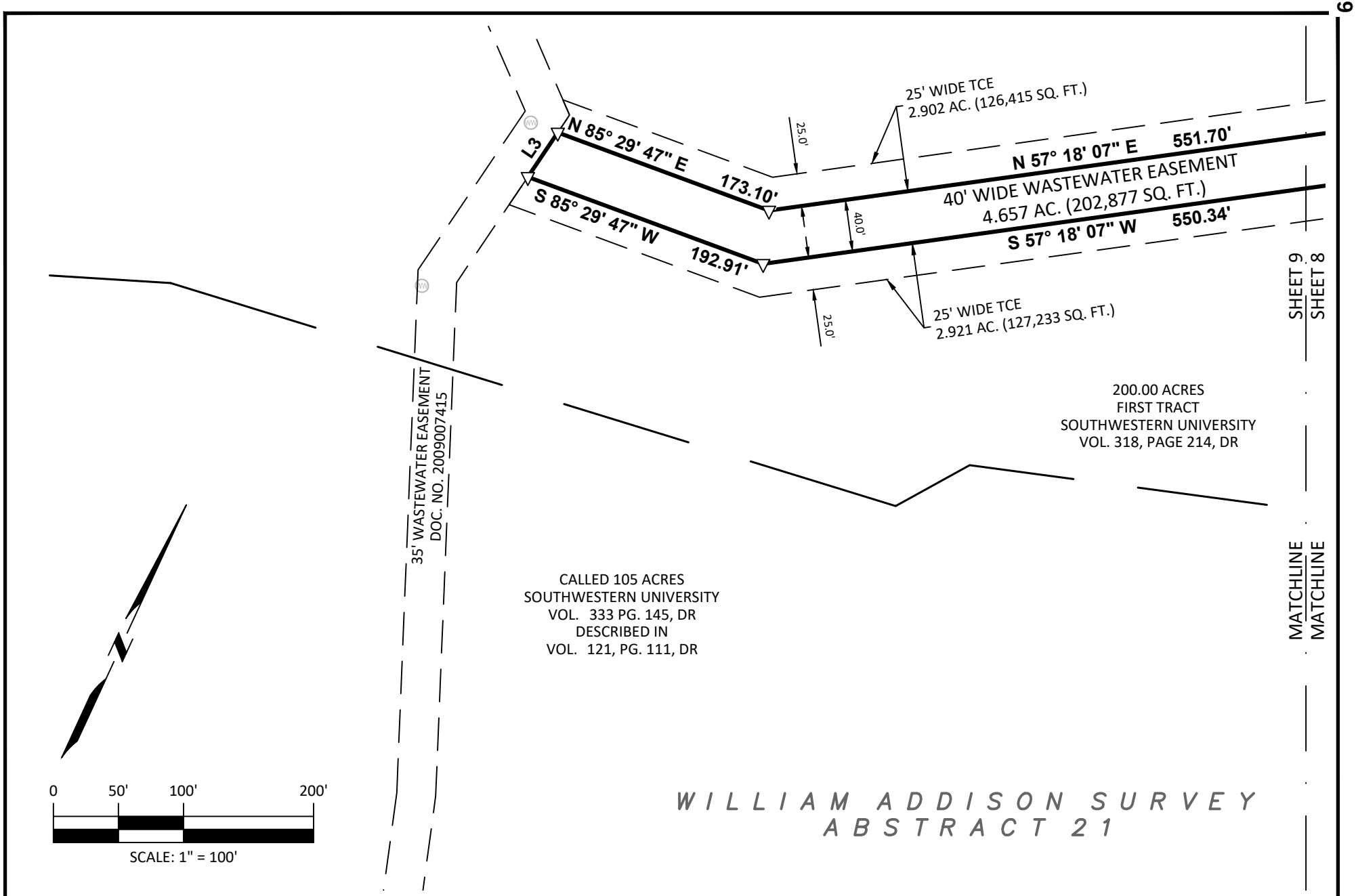
PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 8
OF 10

# SKETCH TO ACCOMPANY DESCRIPTION OF EASEMENT

BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG




| | |
|---|---|
| JOB NUMBER: | 1025106228 |
| DATE: | 05/19/2026 |
| SCALE: | 1" = 100' |
| SURVEYOR: | COREY J. HALL, RPLS |
| TECHNICIAN: | JOHN ALLEN |
| DRAWING: | 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG |
| TRACT ID: | SOUTHWESTERN UNIVERSITY |
| PARTYCHIEF: | BOB BROWN |
| FIELDBOOKS: | 522 |

SAM™
4801 Southwest Parkway
Building Two, Suite 100
Austin, Texas 78735
Ofc: 512.447.0575
Fax: 512.326.3029
email: info@sam.biz

Texas Firm Registration No. 10064300

PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 9
OF 10

# SKETCH TO ACCOMPANY DESCRIPTION OF EASEMENT

BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG

NOTES:

1. BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE NAD83 (2011). ALL DISTANCES SHOWN HEREON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.00013.
2. THE SUBJECT TRACT SHOWN HEREON IS AN EASEMENT, MONUMENTS WERE NOT SET FOR CORNERS.
3. REFERENCE IS HEREON MADE TO THE METES AND BOUNDS DESCRIPTION OF THIS TRACT ACCOMPANYING THIS SKETCH.
4. THE USE OF THE WORD CERTIFY OR CERTIFICATION ON THIS DOCUMENT ONLY CONSTITUTES AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THOSE FACTS OR FINDINGS WHICH ARE THE SUBJECT OF THE CERTIFICATION, AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE, EITHER EXPRESSED OR IMPLIED.
5. THIS SURVEY WAS MADE WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE NOR A TITLE COMMITMENT OR TITLE POLICY. THERE MAY BE ADDITIONAL EASEMENTS OR RESTRICTIONS, NOT SHOWN HEREON, WHICH MAY AFFECT THE PROPERTY.

LEGEND

| | |
|---|---|
| ● | IRON ROD FOUND (1/2" OR AS NOTED) |
| ▽ | CALCULATED POINT |
| ∅ | UTILITY POLE |
| (WW) | WASTEWATER (SANITARY SEWER) MANHOLE |
| TCE | TEMPORARY CONSTRUCTION EASEMENT |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L1 | S 21°27'52" E | 41.89' |
| L2 | S 51°14'31" W | 84.17' |
| L3 | N 09°13'09" E | 41.18' |
| L4 | N 51°14'31" E | 94.36' |
| L5 | S 73°15'53" E | 117.72' |

THIS IS TO CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND IN MAY, 2026, BY ME OR UNDER MY SUPERVISION, THAT THIS SURVEY PLAT REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY.

SAM LLC

COREY J. HALL, R.P.L.S.
TEXAS REG. NO. 6362

STATE OF TEXAS
REGISTERED
COREY JOSEPH HALL
6362
PROFESSIONAL
LAND SURVEYOR

JOB NUMBER: 1025106228
DATE: 05/19/2026
SCALE: 1" = 100'
SURVEYOR: COREY J. HALL, RPLS
TECHNICIAN: JOHN ALLEN
DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG
TRACT ID: SOUTHWESTERN UNIVERSITY
PARTYCHIEF: BOB BROWN
FIELDBOOKS: 522

4801 Southwest Parkway
Building Two, Suite 100
Austin, Texas 78735
Ofc: 512.447.0575
Fax: 512.326.3029
email: info@sam.biz

Texas Firm Registration No. 10064300

PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 10
OF 10

SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG

# EXHIBIT "D-5"

## FORM OF WASTEWATER EASEMENT

[See Attached]

# WASTEWATER EASEMENT

**STATE OF TEXAS** §
§ **KNOW ALL BY THESE PRESENTS:**
**COUNTY OF WILLIAMSON** §

This Wastewater Easement (this "**Agreement**") is made on the _____ day of _____, 2026, by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company, whose address is c/o Southwestern University, 1001 E. University Avenue, Georgetown, Texas 78627 (hereinafter referred to as "**Grantor**"), and the **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation, whose address is P.O. Box 409 Georgetown, Texas 78627, ATTN: Georgetown City Secretary (herein referred to as "**Grantee**").

1. For the good and valuable consideration described in Paragraph 2 below, Grantor hereby GRANTS and CONVEYS to Grantee, its successors and assigns, subject to the Permitted Encumbrances (as hereinafter defined) and the terms and conditions set forth in this Agreement, an easement and right-of-way (the "**Easement**") for the placement, construction, operation, repair, maintenance, replacement, upgrade, rebuilding, relocation and/or removal of wastewater lines and related facilities (collectively, the "**Facilities**") on, over, under, and across the following described property of the Grantor, to wit:

   > Being all that certain tract, piece or parcel of land lying and being situated in the County of Williamson, State of Texas, being more particularly described by metes and bounds in **Exhibit A** and by diagram in **Exhibit B** attached hereto and made a part hereof for all purposes (the "**Easement Area**").

2. The Easement and the rights and privileges herein conveyed are granted for and in consideration of the sum of One and No/100 Dollars ($1.00) and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed.

3. The Easement, with its rights and privileges, shall be used only for the purpose of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, upgrading, relocating, and/or removing the Facilities within the Easement Area (the "**Easement Purpose**"). The Easement Purpose additionally includes the following rights: (1) the right to change the size of the Facilities; (2) the right to relocate the Facilities within the Easement Area; and (3) the right to remove from the Easement Area all trees and parts thereof, or other obstructions, which endanger or may unreasonably interfere with the efficiency and maintenance of the Facilities. Grantor reserves, and Grantor, its successors and assigns, shall have the right, commencing after the construction and installation of the Facilities by Grantee, to install, maintain and use the surface of the Easement Area for landscaping which has no invasive roots, signs, driveways, roads, and sidewalks (collectively, the "**Surface Improvements**").

4. The duration of the Easement is perpetual.

5. Grantor and Grantor's heirs, personal representatives, successors, and assigns are and shall be bound to WARRANT and FOREVER DEFEND the Easement and the rights conveyed in this Agreement to Grantee and Grantee's successors and assigns, against every person lawfully claiming or to claim all or any part thereof, by, through or under Grantor by not otherwise; subject to the matters set forth herein and further subject to all matters of record in Williamson County, Texas, which are valid, subsisting, and affect the Easement Area (the "**Permitted Encumbrances**").

6. The Easement, and the rights and privileges granted by this Agreement, are EXCLUSIVE to Grantee, and Grantee's successors and assigns, and Grantor covenants that Grantor shall not convey any other easement, license, or conflicting right to use in any manner, the area (or any portion thereof) covered by this grant. Notwithstanding the foregoing, Grantor reserves for itself and its successors and assigns the right to construct, place, maintain, inspect, operate, repair, alter, replace and remove driveways, roadways, curbing, gutters, sidewalks, landscaping (other than trees), and irrigation (collectively the "Grantor Improvements"), as well as utilities including water, wastewater, gas, telecommunications, and electrical lines and related facilities (collectively, "Grantor Utilities"), across the Easement Area, and Grantee expressly consents to the use of the Easement Area for such purposes. Grantor's rights reserved in this paragraph are subject to the following requirements:
   a) The construction, placement, maintenance, inspection, operation, repair, alteration, replacement, and/or removal of the Grantor Improvements and the Grantor Utilities shall not materially interfere with the rights granted to Grantee herein;
   b) Any Grantor Utilities shall cross the Facilities at an angle no less than 45 degrees, at a depth to provide sufficient separation from the Facilities (as determined by Grantee in its sole and absolute discretion, and such determination must be made in writing by Grantee after Grantee has had an opportunity to review the plans related to any Grantor Utilities crossing the Facilities), and may not run parallel with the Facilities;
   c) Grantor shall provide Grantee at least 72 hours' written notice prior to commencing any work within the Easement Area;
   d) Grantor hereby RELEASES and HOLDS GRANTEE HARMLESS from any responsibility and liability to repair, replace, maintain, or compensate Grantor for damages to improvements within the Easement Area incidental to Grantee's exercise of its rights and privileges granted herein; and
   e) Any easement, license, or other right granted by Grantor, or its successor or assign, to a third party to exercise any of these reserved Grantor rights shall be subject to the requirements of this paragraph and shall include language acknowledging the rights and privileges of Grantee set forth in this Agreement and agreeing to comply with the requirements herein.

7. Upon completion of the original Facilities, Grantee shall promptly remove all surplus materials and will cause the area to be left as nearly as commercially reasonable and practicable in the condition as it existed prior to such construction, repair, alteration, maintenance, replacement or removal, reasonable wear and tear excepted.

8. GRANTEE ACCEPTS THIS AGREEMENT, THE EASEMENT, AND THE EASEMENT AREA AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS, LATENT OR OTHERWISE. GRANTOR MAKES NO IMPLIED OR EXPRESS REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER REGARDING THIS AGREEMENT, THE EASEMENT, OR THE EASEMENT AREA. ALL SUCH REPRESENTATIONS AND WARRANTIES, AS WELL AS ANY IMPLIED WARRANTIES, ARE HEREBY EXPRESSLY DISCLAIMED. GRANTEE FULLY RELEASES GRANTOR AND GRANTOR'S PARENT AND ALL SUBSIDIARIES, PARTNERS, MEMBERS, REPRESENTATIVES, AGENTS, EMPLOYEES, AND CONSULTANTS (EACH, A "**GRANTOR PARTY**"), FROM LIABILITY FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES WITH RESPECT TO THE EASEMENT AREA, THE EASEMENT, OR THIS AGREEMENT EXCEPT FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES RESULTING FROM THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE GRANTOR PARTY. THIS PROVISION WILL SURVIVE THE TERMINATION OR RELEASE OF THIS AGREEMENT.

9. This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by all parties.

10. The terms of this Agreement shall be binding upon Grantor, and Grantor's heirs, personal representatives, successors, and assigns; shall bind and inure to the benefit of the Grantee and any successors or assigns of Grantee; and shall be deemed to be a covenant running with the land.

[Signature and Notary Pages Follow.]

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on the dates set forth herein.

**GRANTOR:**

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas

My Commission Expires:_____

**GRANTEE**:

City of Georgetown,
a Texas home-rule municipal corporation

By: _____
David Morgan, City Manager

**STATE OF TEXAS** §
§
**COUNTY OF WILLIAMSON** §

This instrument was acknowledged before me on this the ___ day of _____, 2026, by David Morgan, City Manager of the City of Georgetown, a Texas home-rule municipal corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

APPROVED AS TO FORM:

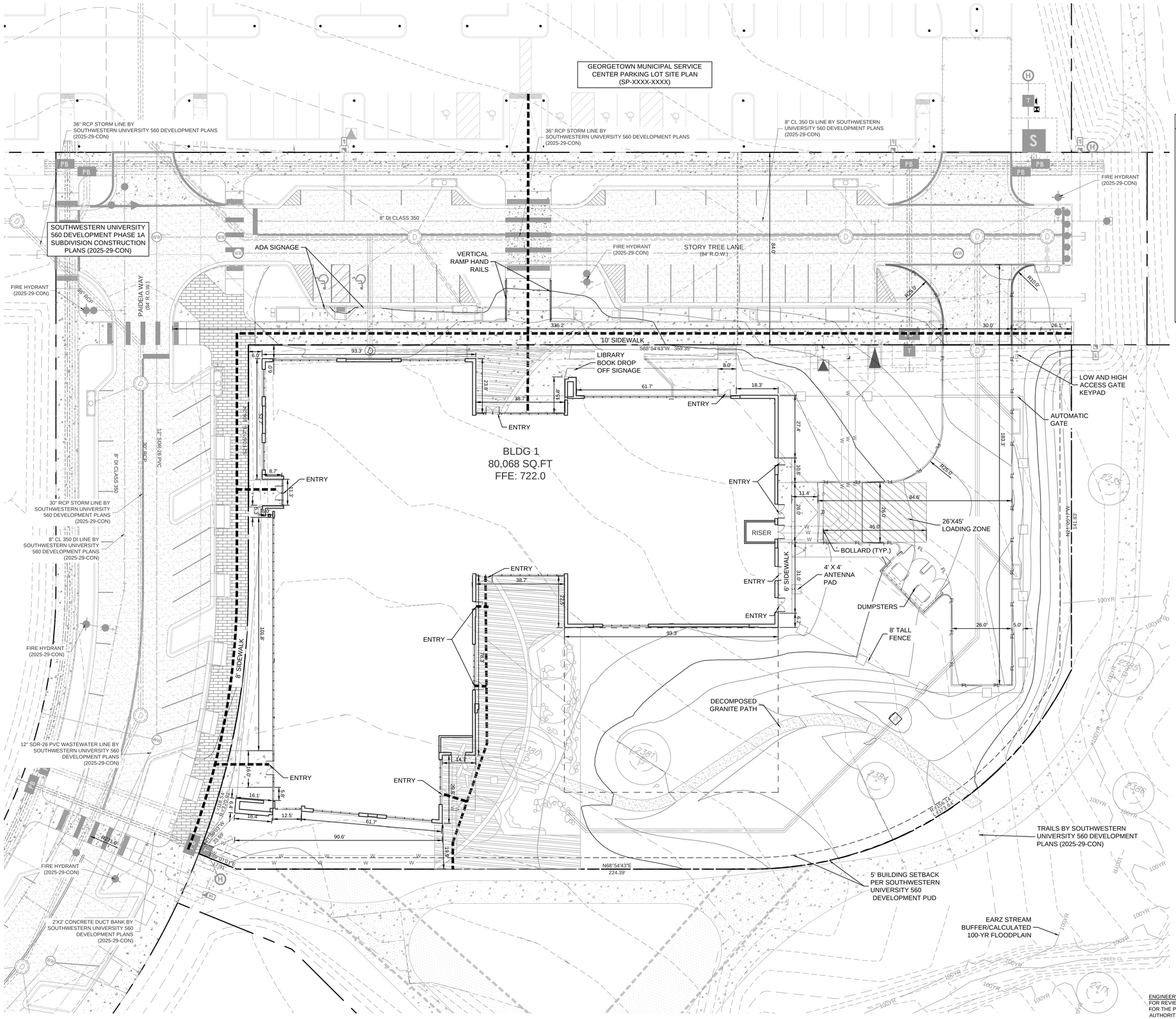
_____
Andrew Culpepper, Assistant City Attorney

AFTER RECORDING, RETURN TO GRANTEE:
City of Georgetown
Attn: Real Estate Services
P.O. Box 409
Georgetown, Texas 78627

# EXHIBIT "E-1"

## APPROVED COG DESIGNS

[See Attached]




## LEGEND

- PROPERTY LINE
- ADA ACCESSIBLE ROUTE
- BUILDING SETBACK
- 100YR — 100 YEAR CALCULATED FLOODPLAIN
- CREEK CENTERLINE
- SQUARE BOLLARD WITH LIGHT
- ONE CUTOFF AREA LIGHT
- TWO CUTOFF AREA LIGHT
- XXXXX — EXISTING TREE TO REMAIN
- XXXXX — EXISTING TREE TO BE REMOVED

| MUNICIPAL SERVICE CENTER SITE TABLE | |
|---|---|
| TOTAL AREA OF SITE (SQ. FT) | 79680.68 |
| TOTAL AREA OF SITE (AC.) | 1.83 |
| ZONING | PUD (C-3) |
| TOTAL GROSS FLOOR AREA (SQ. FT.) | 80068 |
| FLOOR-TO-AREA RATIO | 1.00 |
| MAXIMUM IMPERVIOUS COVER % | 80 |
| MAXIMUM IMPERVIOUS COVER (AC.) | 1.46 |
| PROPOSED IMPERVIOUS COVER % | 80 |
| PROPOSED IMPERVIOUS COVER (AC.) | 1.46 |
| BUILDING COVER (SQ. FT) | 33132 |
| BUILDING STORIES | 3 |
| BUILDING HEIGHT (FT.) | 45 |
| LANDSCAPE SPACE PROVIDED (SQ. FT.) | 15936.14 |

| MUNICIPAL SERVICE CENTER PARKING TABLE | | | |
|---|---|---|---|
| USE | UNITS/SQ. FT. | RATIO | REQUIRED |
| GOVERNMENT OFFICE | 83800 | 3/1,000 SQ. FT. | 252 |
| FLEET VEHICLES | 91 | 1/VEHICLE | 91 |
| **TOTAL REQUIRED** | | | **343** |
| PROVIDED OPEN PARKING* | | | 305 |
| PROVIDED SECURED FLEET PARKING* | | | 91 |
| PROVIDED HANDICAP PARKING* | | | 8 |
| **TOTAL PROVIDED PARKING*** | | | **396** |

*Parking requirements will be satisfied by 2025-XX-SP
** Parking ratios per 2025-1-PUD

DIMENSIONAL SITE PLAN NOTES:

1. ALL LIGHTING FIXTURES SHALL BE DESIGNED TO COMPLETELY CONCEAL AND FULLY SHIELD, WITHIN AN OPAQUE HOUSING, THE LIGHT SOURCE FROM VISIBILITY FROM ANY STREET RIGHT-OF-WAY. THE CONE OF LIGHT SHALL NOT CROSS ANY ADJACENT PROPERTY LINE. THE ILLUMINATION SHALL NOT EXCEED 2-FOOT CANDLES AT A HEIGHT OF THREE FEET AT THE PROPERTY LINE. ONLY INCANDESCENT, FLUORESCENT, COLOR-CORRECTED HIGH-PRESSURE SODIUM OR METAL HALIDE MAY BE USED. ALL VEHICLE OR PEDESTRIAN ACCESS SHALL BE SUFFICIENTLY LIGHTED TO ENSURE SECURITY OF PROPERTY AND PERSONS.
2. ALL ROOF, WALL AND GROUND MOUNTED MECHANICAL EQUIPMENT MUST BE SCREENED IN ACCORDANCE WITH CHAPTER 8 OF THE UDC. IF ROOF AND WALL MOUNTED EQUIPMENT OF ANY TYPE INCLUDING DUCT WORK AND LARGE VENTS IS PROPOSED IT SHALL BE SHOWN ON THE SITE PLAN AND SCREENING IDENTIFIED. SCREENING OF MECHANICAL EQUIPMENT SHALL RESULT IN THE MECHANICAL EQUIPMENT BLENDING IN WITH THE PRIMARY BUILDING AND NOT APPEARING SEPARATE FROM THE BUILDING AND SHALL BE SCREENED FROM VIEW OF ANY RIGHTS-OF-WAY OR ADJOINING PROPERTIES.
3. PER CHAPTER 8, THE DUMPSTER ENCLOSURES MUST BE ONE (1) FOOT ABOVE THE HEIGHT OF THE WASTE CONTAINER. USE PROTECTIVE POLES IN CORNERS AND AT IMPACT AREAS. FENCE POSTS SHALL BE OF RUST PROTECTED METAL OR CONCRETE. A MINIMUM 6 SLAB IS RE UIRED AND MUST BE SLOPED TO DRAIN THE ENCLOSURE MUST HAVE STEEL FRAMED GATES WITH SPRING LOADED HINGES AND FASTENERS TO KEEP CLOSED. SCREENING MUST BE ON ALL FOUR SIDES BY MASONRY WALL OR APPROVED FENCE OR SCREENING WITH OPAQUE GATES.

Texas811

WARNING: CONTRACTOR IS TO VERIFY PRESENCE AND EXACT LOCATION OF ALL UTILITIES PRIOR TO CONSTRUCTION.

## BENCHMARKS

BM #1: MAG NAIL WITH "4WARD CONTROL" WASHER SET
N: 10,205,445.75
E: 3,139,928.89
ELEV.741.51'

ALL BEARINGS ARE BASED ON THE TEXAS STATE PLAN COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83. ALL DISTANCES WERE ADJUSTED TO SURFACE USING A COMBINE SCALE FACTOR OF 1.000133602065. THE VERTICAL DATUM IS NAVD88.

ENGINEER'S PRELIMINARY REVIEW NOTE
FOR REVIEW. THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF JOEL ALVIS RCE# 148578 ON 02/20/2026. IT IS NOT TO BE USED FOR BIDDING, PERMIT OR CONSTRUCTION.


SAN ANTONIO, TX
1020 NE Loop 410 Suite 201
78209
AUSTIN, TX
900 E 6th St. Suite 105
78702
MarmonMok
ARCHITECTURE


SITE DEVELOPMENT PLAN

JOEL ALVIS,
TEXAS REGISTRATION: 148578
NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION.
5/20/2026

STATE OF TEXAS
JOEL M. ALVIS
148578
LICENSED
PROFESSIONAL ENGINEER
02/20/2026

# GEORGETOWN MUNICIPAL SERVICE CENTER

NWC OF SH 29 AND SMITH CREEK ROAD
CITY OF GEORGETOWN
WILLIAMSON COUNTY, TEXAS

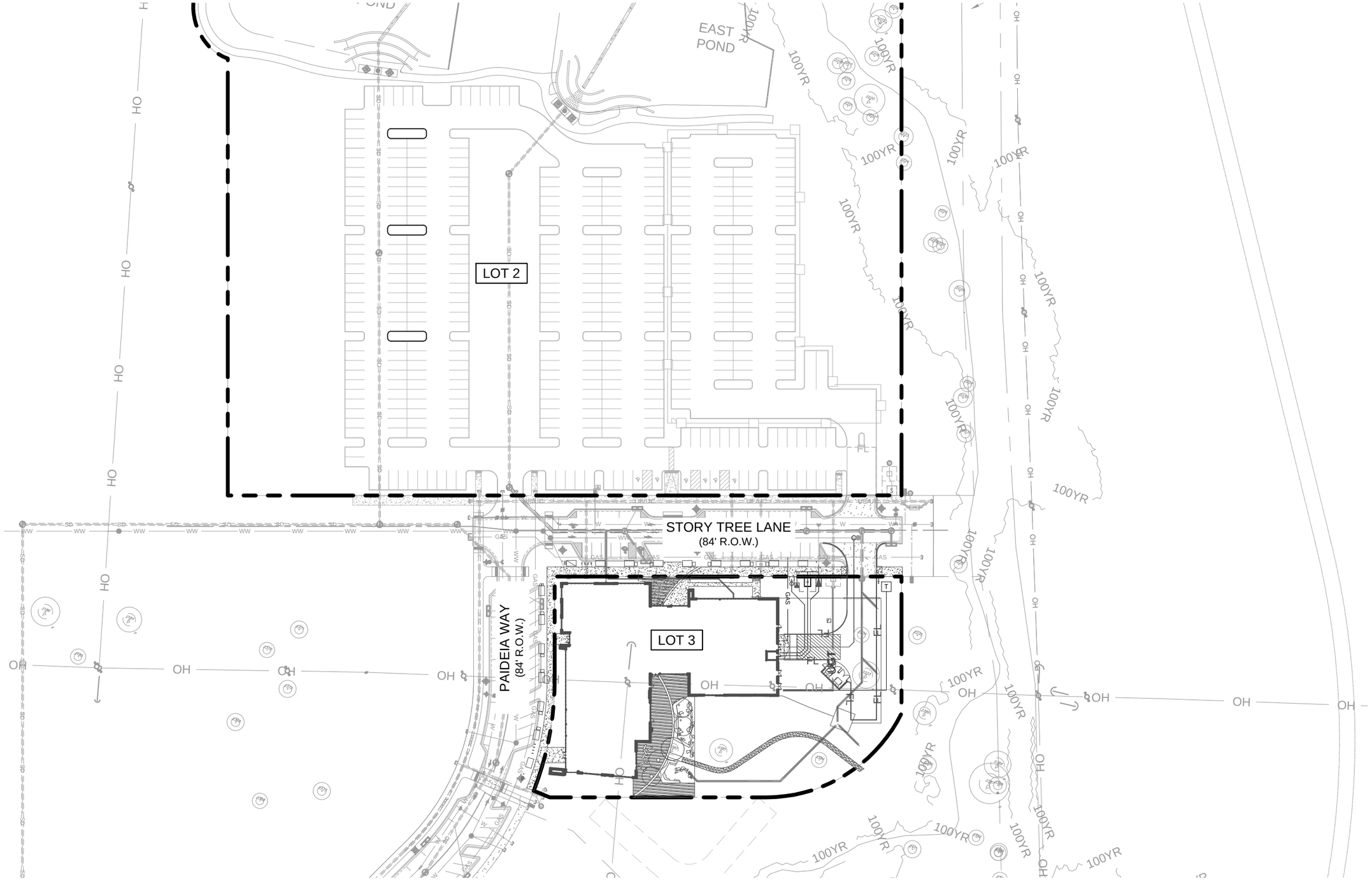
| | |
|---|---|
| Date | 3/30/2026 |
| KHA Project No. | 069423501 |
| Revisions | |
| Scale | As Shown |
| Designed By: | JMA |
| Drawn By: | JMA |
| Checked By: | JMA |

SHEET TITLE
DIMENSIONAL SITE PLAN

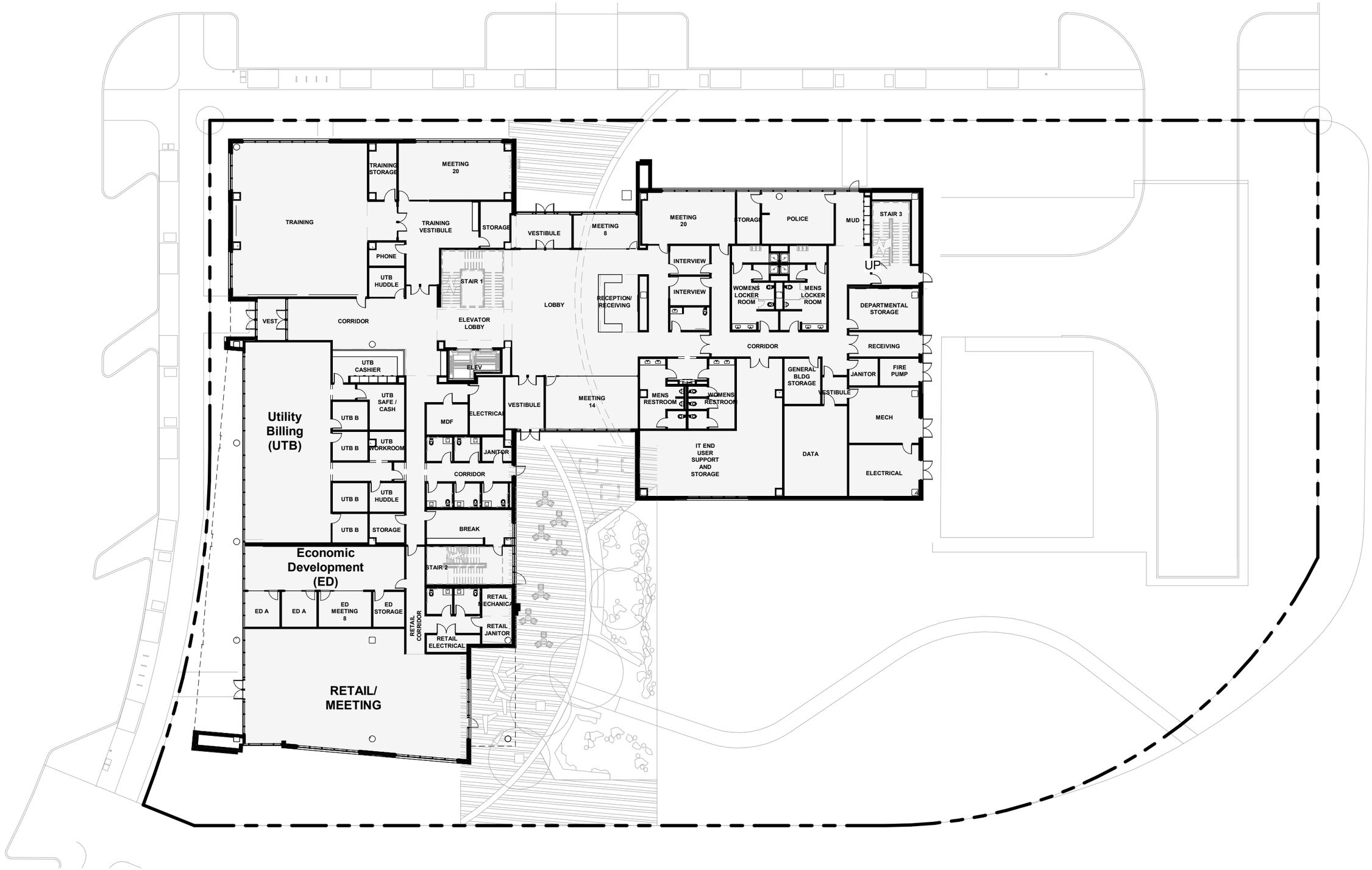
SHEET NO.
7 OF 33


Plotted By:Alvis, Joel Date:May 20, 2026 03:30:57pm File Path:K:\GEO_Civil\069423501 - Georgetown Municipal Service Center\Cad\Lot 3 - Building\PlanSheets\C-Overall Site Plan.dwg
This document, together with the concepts and designs presented herein, as an instrument of service, is intended only for the specific purpose and client for which it was prepared. Reuse of and improper reliance on this document without written authorization and adaptation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.


2025-96-SDP

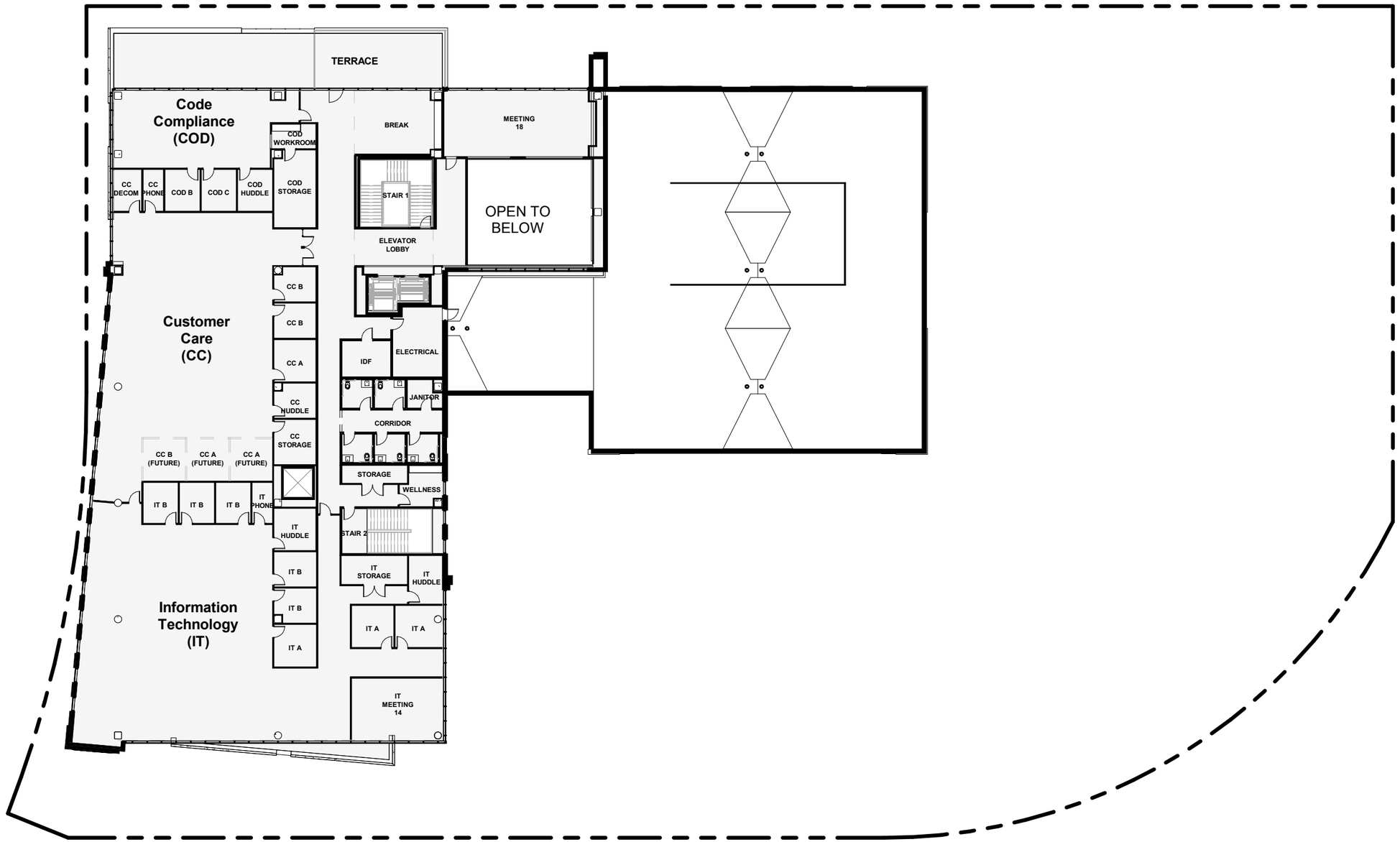



# Overall Site Plan




# First Floor Plan

# Second Floor Plan




# Third Floor Plan

# North Facade

# North Entrance

NOT FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION | BRIANT HARKIEWITZ - ARCHITECT - REGISTRATION NUMBER 13800

# West Facade

# Northwest Corner

# Southwest Corner

# South Courtyard

# EXHIBIT "E-2"

## REQUIRED ELEMENTS FOR THE GROUND FLOOR RETAIL PREMISES

The Ground Floor Retail Premises shall be designed and constructed to include the following required elements (collectively the "Retail Premises Requirements"). For the avoidance of doubt, any design or construction elements not described below shall be designed and constructed pursuant to COG sealed construction documents pursuant to COG design specifications. Any future additions or modifications to the Ground Floor Retail Premises shall be the responsibility of the future Retail Unit owner.

### RETAIL PREMISES REQUIREMENTS:

**FLOOR SLAB:** The floor shall be a smooth slab-on-grade with a minimum five-inch (5") thick conventionally reinforced concrete slab. No electrical service or branch distribution conduit shall be installed within or below ground-floor slabs. Floor slab finished floor elevations shall be consistent within each contiguous retail area without vertical grade transition steps. All exterior site work improvements and pavement grades shall allow for full ADA accessibility along entire retail storefronts, doors, and rear service door entrances without the need for interior or exterior ramp transitions.

**ELECTRICAL/SPRINKLER SYSTEM:** A separate electrical meter shall be provided for Ground Floor Retail Premises. A standalone fire sprinkler system and alarm shall be provide for the Ground Floor Retail Premises.

**WATER / SANITARY SEWER/GREASE LINE:** A 6" sanitary waste gut line will be stubbed into the Ground Floor Retail Premises under the slab. COG will install 4" grease waste inflow and outflow lines stubbed into the COG Building for possible future restaurant premises per code. (Grease traps shall be installed by Retail Unit owner or its tenants.)

**ROOF & MECHANICAL EQUIPMENT:** A chase will be provided on the exterior of the building for access to the roof. All venting and other needs of the Ground Floor Retail Premises will need to be contained within that chase. Access will be on the exterior of the building.

# EXHIBIT "F"

## APPROVED COG SCHEDULE

1. *COG Commencement Deadline – by February 21, 2027

2. *COG Completion Deadline – August 21, 2028

*Based on 90 days "after the completion of the Clearing, Grading, and Access Work and the issuance of the COG Permits". Shown as November 23, 2026 in Exhibit G - Approved Developer Schedule

**Based on "earlier of: (i) the date that COG actually commences construction of the COG Improvements, or (ii) the COG Commencement Deadline."

All dates above are ESTIMATED AND CONTINGENT upon the Developer's schedule.

# EXHIBIT "G"

## APPROVED DEVELOPER SCHEDULE

1. Commencement Deadline – by September 3, 2026

2. Clearing, Grading, and Access Completion Deadline – by November 23, 2026

3. Outside Temporary Water Source Deadline -- 75 days after COG mobilizes its contractor on the COG Property

4. Drainage Parking Improvements Deadline – by January 25, 2027

5. Utility Infrastructure Completion Deadline – by November 12, 2027

6. Developer Improvements Completion Deadline – by February 24, 2028

***All dates above are ESTIMATED AND CONTINGENT upon the permit for the "Subdivision Infrastructure Construction Plans for Southwestern University 560 Development Phase 1A (2025-29-CON), 1001 E. University Avenue, Georgetown, TX 78626", prepared by Civilitude, LLC, being approved and released by the City of Georgetown by July 23, 2026. All dates above would move out 30 days for each additional review submittal required by the City of Georgetown beyond July 23, 2026. Notwithstanding the foregoing, nothing in this Exhibit shall alter the Developer deadlines provided in Section 2.1 of the Agreement.**

# EXHIBIT "H"

## SCOPE OF DEVELOPER IMPROVEMENTS

*** NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IF A CONFLICT OR INCONSISTENCY OCCURS BETWEEN THIS EXHIBIT "H" AND THE APPROVED DEVELOPER PLANS, THEN THE APPROVED DEVELOPER PLANS SHALL CONTROL.**

**CLEARING, GRADING AND ACCESS WORK:**

1. WORK TO BE PERFORMED ON COG PROPERTY:

    a. Clearing and Rough Grading. The COG Property shall be cleared of all topsoil, vegetation and/or debris and in accordance with all applicable federal, state and local requirements. The COG Property shall be rough graded in accordance with the grading plan approved as a part of the Approved Developer Plans, including the protection and preservation of trees as shown on the Approved Developer Plans.

    b. Developer shall install property pins identifying the COG Property.

2. WORK TO BE PERFORMED ON PARKING AREA:

    a. Clearing and Rough Grading. The Parking Area shall be cleared of all topsoil, vegetation and/or debris and in accordance with all applicable federal, state and local requirements. The Parking Area shall be rough graded in accordance with the grading plan approved as a part of the Approved Developer Plans. The Parking Area shall be rough graded within 12 inches (one foot) of the proposed finished grade on the Parking Area.

    b. Developer shall install property pins identifying the lot that the Parking Area is located.

3. WORK TO BE PERFORMED ON DEVELOPER PROPERTY.

    a. Construction Entrance and Access Road: Developer shall install and maintain a construction entrance off HWY 29 and a fire approved accessible road to the COG Property as shown on the Approved Developer Plans. Developer will remove and dispose of construction entrance and access road within thirty (30) days following Developer Completion Date.

    b. Staging Area: Developer shall install and maintain the staging area required for Developer's own use as shown on the Approved Developer Plans. COG shall install and maintain a staging area for COG Property and a staging area required for Parking Area as shown on the Approved COG Designs. COG shall also be responsible for providing and maintaining an access route between the COG

Property staging area and Parking Area staging area as shown on the Approved COG Designs.

c. Erosion Controls: Developer shall install and maintain the erosion controls as shown on the Approved Developer Plans. COG shall install and maintain the erosion controls as shown on the Approved COG Designs.

**UTILITY IMPROVEMENTS:**

1. COG PROPERTY WORK:

a. Permanent Utilities. All conduits, pipes and appurtenances for permanent water service, wastewater service, stormwater conveyance, electric service, gas service and telecom service required to serve the COG Property have been brought to connection points at the boundary of the COG Property in locations shown on the Approved Developer Plans. Developer shall, on or before the Utility Improvements Completion Date, provide to COG a certification from Developer's project engineer, certifying to COG, that such conduits, pipes, and appurtenances for the permanent utilities have been completed. It shall be COG's sole responsibility to verify the locations of the connection points for all permanent utilities. COG shall be responsible for all utility connection fees for COG's use of the permanent utilities at the COG Property.

b. Dedicated Conduit. Developer shall install two capped 4-inch dedicated conduits, one with three innerducts and one which shall be empty under Story Tree Lane right of way between COG Property and Parking Area in a location shown on the Approved Developer Plans. Developer shall also install two 4-inch dedicated conduits with three innerducts each, with appropriate vaults from HWY 29 to connection points at the boundary of COG Property in locations shown on the Approved Developer Plans. Developer shall, on or before the Utility Improvements Completion Date, provide to COG a certification from Developer's project engineer, certifying to COG, that such dedicated conduits have been completed. It shall be COG's sole responsibility to verify the locations of the connection points for all dedicated conduits. COG shall be responsible for all utility connection fees for COG's use of the dedicated conduit at the COG Property.

c. Temporary Utilities. COG, at COG's sole expense, shall be responsible for providing and maintaining any and all temporary utilities to the COG Property that are required by COG during construction of the COG Improvements and prior to the Developer Completion Date.

2. WORK TO BE PERFORMED ON DEVELOPER PROPERTY:

a. Temporary Water Source (Temporary Waterline and Temporary Fire Hydrant). Developer, at Developer's sole cost and expense, will install a temporary waterline and temporary fire hydrant from Developer's point of service in the right-of-way

to within 250' of the COG Property. The Temporary Water Source, estimated to be approximately $60,000, will be the only temporary utility installed at Developer's expense.

3. PARKING AREA WORK:

a. Permanent Utilities. Developer shall install all conduits, pipes and appurtenances, for permanent water service and electric service required to serve the Parking Area brought to connection points at the boundary of the Parking Area in locations shown on the Approved Developer Plans. Developer shall, on or before the Utility Improvements Completion Date, provide to COG a certification from Developer's project engineer, certifying to COG, that such conduits, pipes, and appurtenances for the permanent utilities have been completed. It shall be COG's sole responsibility to verify the locations of the connection points for all permanent utilities. COG shall be responsible for the initial utility connection fees for COG's use of the permanent utilities at the COG Parking Area.

b. Temporary Utilities. COG, at COG's sole expense, shall be responsible for providing any and all temporary utilities to the COG Parking Area that are required by COG during construction of the COG Improvements and prior to the Developer Completion Date.

**DRAINAGE PARKING IMPROVEMENTS:**

1. Storm Water Conveyance. Developer shall design and install the public storm water conveyance pipes to serve Parking Area in locations shown on Approved Developer Plans. Developer will provide connection points in the public storm water conveyance pipes for COG's Parking Improvements drainage system to tie into at the locations shown on Approved Developer Plans.

2. Retaining Walls. Developer shall design and install retaining walls for Parking Area, if any required, in locations shown on the Approved Developer Plans.

**PROJECT IMPROVEMENTS:**

Public streets, public water pipe, public wastewater pipe, public storm water conveyance pipe, water quality and detention ponds, City of Georgetown electric conduit, City of Georgetown streetlight conduit and streetlights, telecommunication conduit and Atmos Energy gas conduit, further described in Approved Developer Plans.

# EXHIBIT "H-1"

## DEVELOPER PLANS

Subdivision Infrastructure Construction Plans for Southwestern University 560 Development Phase 1A (2025-29-CON), 1001 E. University Avenue, Georgetown, TX 78626, prepared by Civilitude, LLC. [1]

Additional Plans to be completed:

1. Southwestern University 560 Development Phase 1A Electric Design Drawings, MPN #25-76, prepared by McCord Engineering, Inc.[2]

2. Southwestern University 560 Development Phase 1A Master Dry Utility Plans, prepared by Civilitude, LLC.[3]

3. Southwestern University 560 Development Phase 1A Gas Design Drawings, prepared by Atmos Energy[4]

[1] These plans are in review with City of Georgetown as of Effective Date.

[2] These plans are in design with City of Georgetown Electric design consultant as of Effective Date.

[3] These plans are in design as of Effective Date.

[4] These plans have not yet begun design as of Effective Date.

# EXHIBIT "I"

## CONSTRUCTION METHODS

In the event of conflict between this Exhibit "I" and the body of this Agreement, the body of the Agreement shall control.

**a. Construction Schedule**

i. See Exhibit "F" and Exhibit "G" of Agreement for the Approved Schedules.

**b. Construction Staging for COG**

i. **Location:** Developer Property. See Exhibit "D-1".

ii. **Security:** Construction fencing will be provided by COG between the Developer Property and the Temporary Construction Easement (the "***Construction Fencing***"). COG to give a 2-week notification prior to Construction Fencing install and removal, to align with Approved Schedule.. Construction employee parking and "meal area" will be all within the COG Property and Temporary Construction Area.

iii. **Equipment and Material Storage/Staging:** All equipment, material, storage and staging will take place within the COG Property, Parking Area, and Temporary Construction Area. None of this activity will occur on Developer Property, unless minor staging within the Temporary Construction Easement is otherwise approved by Developer in writing.

iv. **Removal**: Subject to Excusable Delays (not to exceed sixty (60) days in the aggregate), within one (1) month after completion of the COG Work, COG will remove or cause to be removed the Construction Fencing.

**c. Environmental Protection Controls**

i. Stormwater – Per Approved Plans and standards and SWPPP plan.

ii. Erosion – Per Approved Plans and standards and SWPPP plan.

**d. Insurance** – See Exhibit "J" of Agreement.

**e. Cleanup**

i. After completion of major scopes of work – the Easements shall be cleaned and debris shall be removed and condition shall be reviewed in a walkthrough with Developer.

# EXHIBIT "J"

## INSURANCE REQUIREMENTS

At all times during the Ownership Term and at COG's sole cost and expense, COG shall maintain the insurance described below, and shall provide Developer with certificates of such insurance, naming Developer as an additional insured.

**(a) Property Insurance.** COG shall, at its sole cost and expense, maintain for the Term "Special Form" Commercial Property Insurance (ISO Special Causes of Loss Form (CP 10 30) or its equivalent) for the COG Property and on any improvement now or hereafter constructed on the COG Property. All insurance shall be for the full insurable value of the improvements on the Property. No policy of insurance required under this **Section** shall be written such that the proceeds thereof will produce less than the minimum of coverage required hereunder by reason of co-insurance provisions or otherwise. The term "full insurable value" means "all risk" of loss for one hundred percent (100%) of the actual replacement cost of the COG Building and any other improvements constructed on the COG Property to include direct loss by collapse, fire, smoke, windstorm, hail, lightning, explosion, riot, pandemic, epidemic, civil commotion, aircraft, vehicles, theft, vandalism, and sprinkler leakage, flood, including foundation and excavation costs and costs of underground flues, pipes, drains and similar items. The Developer shall be named as an additional loss payee or additional insured, as appropriate.

**(b) Liability Insurance**. COG shall, at its sole cost and expense, Maintain for the Term, Commercial General Liability Insurance on a "occurrence" basis against claims for personal injury, liability and liability for death, bodily injury and damage to property, products and completed operations, all in limits, from time to time, equal to those customarily held by owners of similar projects in the State of Texas, with respect to any one occurrence and the aggregate of all occurrences during any given annual policy period, but in no event in amounts less than $3,000,000 per occurrence and $4,000,000 in the aggregate from and against any liability damage, claim or demand arising out of or connected with the condition of the Project or the Property(or any portion thereof). Such insurance shall include contractual liability, personal injury and advertising liability, business automobile (including owned, not owned and hired) and independent contractor liability coverage. The liability insurance required to be maintained hereunder may be maintained by any combination of single policies and such umbrella or blanket policies so long as the level of coverage is not impaired or reduced by the use thereof. The liability insurance required by this Section shall name the Developer as an additional insured. COG shall cause any contractor performing work on the COG Property to provide and maintain commercial general liability insurance for all employees of the general contractor meeting the requirements of this Section.

**(c) Worker's Compensation Insurance.** COG shall, at its sole cost and expense, maintain for the Term, worker's compensation and employer's liability insurance or equivalent coverage, as may be required under Applicable Laws covering employees of COG, with such deductible limits are generally established by the City. The policy shall be endorsed

to provide a waiver of subrogation as to the Developer.

**(d) Additional Insurance Requirements.** Each policy of insurance procured by COG related to the COG Property: (a) shall be issued by one or more insurance companies each of which must have an A.M. Best Company financial and performance rating of A-IX or better and be qualified or authorized by the laws of the State of Texas to assume the risk covered by such policy, (b) shall provide that such policy shall not be canceled or modified without at least thirty (30) days prior written notice to Developer, (c) shall provide that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of the named insureds which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment; and (d) be in effect on the Effective Date and continue in full force and effect during the Ownership Term.. COG will immediately give notice to Developer of any cancellation of, or change in, any insurance policy required to be maintained hereunder. COG may satisfy any insurance requirement hereunder by providing one or more "blanket" insurance policies.

Before commencing any construction on the COG Property, Parking Area, or Easements, COG shall procure and/or cause COG's contractor to procure and keep in force during the course of any construction the insurance described below, and shall provide Developer with certificates of such insurance, naming Developer as an additional insured.

(a) **Workers' Compensation**. Insurance with limits as required by the Texas Workers' Compensation Act and Employer's Liability Insurance with limits of not less than:

$1,000,000 each accident;

$1,000,000 disease each employee; and

$1,000,000 disease policy limit.

Policies must include (a) Other States Endorsement to include TEXAS if business is domiciled outside the State of Texas, and (b) a waiver of all rights of subrogation in favor of Owner.

(b) **Commercial General Liability Insurance**, including premises, operations, independent Contractor's liability, products and completed operations and contractual liability, covering, but not limited to, the liability assumed under the indemnification provisions of this Contract, fully insuring Contractor's (or Subcontractor's) liability for bodily injury (including death) and property damage with a minimum limit of:

$1,000,000 per occurrence;

$2,000,000 general aggregate;

$2,000,000 products and completed operations aggregate; and

Coverage shall be on an "occurrence" basis.

The policy shall include coverage extended to apply to completed operations and explosion, collapse, and underground hazards. The policy shall include endorsement CG2503 Amendment of Aggregate Limits of Insurance (per Project) or its equivalent.

If the Work involves any activities within fifty (50) feet of any railroad, railroad protective insurance as may be required by the affected railroad, written for not less than the limits required by such railroad.

(c) **Asbestos Abatement Liability Insurance**, including coverage for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos containing materials. *This requirement applies if the Work or the Project includes asbestos containing materials.

The combined single limit for bodily injury and property damage will be a minimum of $1,000,000 per occurrence.

*Specific requirement for claims-made form: Required period of coverage will be determined by the following formula: continuous coverage for life of the Contract, plus one (1) year (to provide coverage for the warranty period), and an extended discovery period for a minimum of five (5) years which shall begin at the end of the warranty period.

Employer's liability limits for asbestos abatement will be:

$1,000,000 each accident;

$1,000,000 disease each employee; and

$1,000,000 disease policy limit.

(d) **Business Automobile Liability Insurance**, covering all owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage of $1,000,000 per occurrence. No aggregate shall be permitted for this type of coverage.

Such insurance is to include coverage for loading and unloading hazards.

Contractor or any subcontractor responsible for transporting asbestos or other hazardous materials defined as asbestos shall provide pollution coverage for any vehicle hauling asbestos containing cargo. The policy must include a MCS 90

endorsement with a $5,000,000 limit and the CA 9948 Pollution Endorsement, or its equivalent.

(e) **"Umbrella" Liability Insurance**. Contractor shall obtain, pay for and maintain umbrella liability insurance during the Contract term, insuring Contractor (or Subcontractor) that provides coverage at least as broad as and applies in excess and follows form of the primary liability coverages required above. The policy shall provide "drop down" coverage where underlying primary insurance coverage limits are insufficient or exhausted.

"Umbrella" Liability Insurance coverage shall be in the following amounts:

- If Contract sum is $1,000,000 or less:
  No Umbrella Required
- If Contract Sum is greater than $1,000,000 up to $3,000,000:
  $1,000,000 each occurrence and $2,000,000 annual aggregate
- If Contract Sum is greater than $3,000,000 up to $5,000,000:
  $5,000,000 each occurrence and $5,000,000 annual aggregate
- If Contract Sum is greater than $5,000,000:
  $10,000,000 each occurrence and $10,000,000 annual aggregate

# EXHIBIT "K"

## FORM OF CC&RS

[See Attached]

When recorded mail to:

Jackson Walker LLP
Marisela Peña
1401 McKinney Street # 1900
Houston, Texas 77010

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SU 560 MASTER DEVELOPMENT**

Declarant: SU 560 Land Holdings I, LLC, a Texas limited liability company

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SU 560 MASTER DEVELOPMENT**

This Master Declaration of Covenants, Conditions: and Restrictions ("*Master Declaration*") for **SU 560 MASTER DEVELOPMENT** is made as of the ___ day of _____ 2026, by **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company ("*Declarant*"), on behalf of **SOUTHWESTERN UNIVERSITY**, a Texas non-profit corporation organized under the laws of the State of Texas.

## RECITALS

A. Southwestern University, a 501(c)(3) non-profit corporation organized under the laws of the State of Texas ("*Southwestern*"), is one of the nation's premier private, liberal arts universities.

B. Southwestern desires to create a uniform plan for the development and improvement of that certain real property located in the City of Georgetown, the County of Williamson, the State of Texas, which real property is more particularly described on attached **Exhibit A** (the "*Property*"). The primary purpose and focus of such development is to create a first-class mixed-use community that will compliment and support the long term growth, objectives and operations of Southwestern and its faculty, student body and administration, and to develop in accordance with the Southwestern Land Development Value Statement, as amended from time to time (a copy of which is published on Southwestern's website).

C. Additional real property (each portion a "*Future Phase*" and, collectively, the "*Future Phases*") may be made subject to this Master Declaration upon the Recording of one or more Supplemental Declarations pursuant to Section 8.1 below.

D. This Master Declaration is meant to run with the title to the Property, govern development and use of the Property, and be binding upon Owners, Lessees, Tenants, Declarant, and their respective successors, successors-in-title, and assigns and any other person or entity who now or hereafter has any legal, equitable, or beneficial interest in any portion of the Property.

**NOW, THEREFORE**, it is hereby declared that: (i) the Property shall be held, conveyed, and occupied subject to the following covenants, conditions and restrictions which shall run with the Property and shall be binding upon all parties having right, title, or interest in or to the Property, or any part thereof, and their heirs, successors, and assigns, and shall inure to the benefit of each such party; and (ii) each contract, lease or deed conveying those portions of the Property that have been made subject to this Master Declaration shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract, lease or deed.

# ARTICLE 1

## DEFINED TERMS

Capitalized terms used in this Master Declaration will have the following meanings:

"*Applicable Law*" means all statutes, public laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments or their agencies having jurisdiction and control over the Property, and any other applicable building codes, zoning restrictions, permits and ordinances adopted by a Governmental Authority, which are in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision. Statutes, ordinances and regulations specifically referenced in the Documents are "Applicable Law" on the effective date of the

Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

"*Assessment*" or "*Assessments*" means assessments imposed under this Master Declaration.

"*Assessment Unit*" is described in Section 5.10.

"*Association*" means a property owners' association established by Declarant pursuant to Applicable Law for the purpose of maintaining, repairing, and replacing Open Space and Common Area or other purposes typically assumed by property owners' associations in Texas. Declarant is under no obligation to form the Association but may do so in its sole discretion.

"*Board*" means Southwestern University Board of Trustees, a body corporate, for and on behalf of Southwestern University.

"*Brand Standards*" means guidelines and standards for the use of the names "Southwestern University", "Southwestern", "Southwestern U", "SU" , "Southwestern Pirates", "Southwestern University Pirates", "Paideia", "Southwestern University 560", "SU 560" and related service marks, trademarks, tradenames, logos, or other identifying names, domain names, or identifying marks related to the Development and promulgated from time to time by Declarant (collectively, the "*Protected Intellectual Property*"). Upon reasonable advance written request, a copy of the Brand Standards, as they may be amended from time to time in Declarant's discretion, shall be provided.

"*City*" means the City of Georgetown, Texas, and its duly authorized departments and agencies.

"*Common Area Expenses*" has the meaning set forth in Section 5.7.

"*Common Area Fees*" has the meaning set forth in Section 5.8(d).

"*Community Enhancement Fee*" has the meaning set forth in Section 5.9.

"*Condominium Unit*" means an individual unit, including any common element assigned thereto, within a condominium regime, if any, established within the Property.

"*County*" means Williamson County and its duly authorized departments and agencies.

"*Declarant*" means SU 560 Land Holdings I, LLC, a Texas limited liability company, and its successors and assigns. Declarant may delegate part or all of its rights or duties under the Documents to the Association, property management company or other entity by a Recorded notice executed by the Declarant in its sole discretion.

"*Declarant's Actual Knowledge*" or "*Actual Knowledge of Declarant*" or similar language, means the actual, current, conscious knowledge of the current or any future president for Southwestern (or the reasonable equivalent of such position if the title is later changed), as to the knowledge of that person while he/she serves in such capacity. If the Declarant designates a successor or assign, such successor or assign shall specify the individual who will serve as the knowledge party under this definition.

"*Design Manual*" means the Southwestern University 560 Development Phase 1 Design Manual, as amended from time to time.

"*Design Standards*" means design and development guidelines and standards for the development and construction of Improvements in the Property, promulgated from time to time by Declarant, including without limitation the Design Manual, as amended, Master Sign Program (as defined in the Design Manual), and the Brand Standards. The Declarant shall provide a copy of the current Design Standards upon written request from a Lessee. In approving plans under Article 4 below, Declarant reserves the right to impose design standards and requirements that are more stringent or less stringent than those set forth in the Design Standards.

"*Development*" means the Property, Open Space and Common Area, and any Improvements thereon, whether such Property is developed all at once or in phases.

"*Development Plan*" means the zoning standards and specifications set forth in that certain Southwestern University Planned Unit Development (PUD) Amendment No. Two – 560 Development Phase I Development Plan, as amended from time to time. The Development Plan is attached to the PUD Ordinance as Exhibit C thereto.

"*Documents*" means, singularly or collectively, as the case may be, this Master Declaration, the Design Standards, any Supplemental Declaration, the Development Plan, a TIRZ Budget, as each may be amended from time to time, and any rules, policies or procedures promulgated by the Declarant or its designee pursuant to this Master Declaration or any Supplemental Declaration, as amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is part of a Document. See **Table 1** for a summary of the Documents.

"*DRC*" means the Design Review Committee, a decision-making body established by Declarant that is responsible for the review and approval of the design and materials for all Improvements to be constructed within the Parcels, including all additions to, and modifications and reconstructions of, such Improvements, in accordance with Design Review Process defined in the Design Manual. The DRC may consist of Declarant or persons appointed by the Declarant in Declarant's sole discretion. Unless otherwise set forth in a Recorded notice, the DRC shall consist of the Declarant.

"*Excluded Transfer*" means any of the following:

(a) *Transfer to Declarant*. Any Transfer to Declarant or its successor or assignee.

(b) *Exempt Partition Transfers*. Any Transfer arising solely from the termination of a joint tenancy or the partition of Property held under common ownership, except to the extent that additional consideration is paid in connection therewith.

(c) *Related Company Transfers*. Any Transfer made for nominal or no consideration between commonly controlled entities, between a partnership and its partners, between a limited liability company and its members, between a corporation and its shareholders, or similar Transfers as determined by Declarant, it its sole discretion applied on a consistent basis.

(d) *Exempt Technical Transfers*. Any Transfer made solely for the purpose of confirming, correcting, modifying or supplementing a Transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights-of-way or licenses.

(e) *Exempt Court Ordered Transfers*. Any Transfer pursuant to any decree or order of a court of record determining or vesting title in the transferred interest.

(f) *Exempt Transfers On Conveyance To Satisfy Certain Debts*. Any Transfer to secure a debt or other obligation or to release Property which is security for a debt or other obligation, including Transfers in connection with foreclosure of a deed of trust or mortgage or Transfers in connection with a deed given in lieu of foreclosure.

(g) *Exempt Transfers Approved by Declarant*. Any Transfers not expressly described in subparagraphs (a) through (f) above that are determined by Declarant to be consistent with the spirit and intent of subparagraphs (a) through (f) above, it its sole discretion applied on a consistent basis.

"*Future Phase(s)*" has the meaning set forth in the Recitals to this Master Declaration.

"*Governmental Authority*" means any governmental authorities and quasi-governmental authorities having jurisdiction over the Property or any part thereof and acting in their official capacity, including, without limitation, the board of a Tax Increment Reinvestment Zone. "Governmental Authority" shall not include a governmental authority or quasi-governmental authority acting in its capacity as Lessee.

"*Ground Lease*" means a long-term lease between Declarant and a Lessee for one or more Parcel(s) in the Property. In the event Declarant conveys the entire fee interest (and whether or not a reversionary interest is retained by the grantor under a deed with right of reversion), then the term "Ground Lease" shall also include the conveyancing or other use limiting documents executed in connection with such conveyance. "Ground Lease" shall not include a typical space lease or a lease, license or sublease with a term of less than 30 years.

"*Improvements*" means all site work, landscaping, buildings, parking areas, loading areas, refuse, storage or collection areas, fences, walls, paving, sidewalks, light poles and bases, lighting, signs, utility installations, drainage and retention facilities, and other structures or improvements, constructed or to be constructed on a Parcel. For avoidance of doubt, Improvements include any alterations or replacements of existing Improvements.

"*Lessee*" means the ground tenant or lessee under a Ground Lease for any portion of the Property, and its permitted successors and assigns. It is intended that each Lessee will own the Improvements constructed pursuant to its respective Ground Lease. If a Ground Lease has more than one Lessee, all Lessees are jointly and severally obligated to perform the responsibilities of the Lessee under this Master Declaration. It is Declarant's intent to convey long term possessory interests in the Property through Ground Leases. However, in the event an exception is made through a conveyance of the entire fee (and whether or not a reversionary interest is retained by the grantor under a deed with right of reversion), then the term "Lessee" shall also include the grantee under such conveyance. Mortgagees who acquire title to a Lessee's interest in a Ground Lease through foreclosure are Lessees. Persons or entities having ownership interests merely as security for the performance of an obligation are not Lessees. The term "Lessee" does not include subtenants under space leases or licensees under licenses in the Improvements owned by a Lessee under a Ground Lease.

"*Lot*" means any portion of the Property designated by Declarant in a Recorded written instrument or as shown as a subdivided lot on a Plat other than Open Space and Common Area. A Lot, for the purpose of this Master Declaration, may also include a Lot upon which a condominium will be impressed creating Condominium Units.

"*Majority*" means more than half.

"*Master Sign Program*" means design standards for signage to be erected within the Development as more particularly described in Section 3.13 of the Design Manual.

"*Mortgage*" has the meaning set forth in Section 10.1.

"*Mortgagee*" has the meaning set forth in Section 10.2.

"*Normal Business Hours*" means 8:00 a.m. until 5:00 p.m., Georgetown, Texas, time, Monday through Friday, except any day that is recognized by Declarant as a legal holiday.

"*Open Space and Common Area*" means (i) those portions of the Property located on a Parcel, but within a private development easement designated as such, or within another easement area designated as Open Space and Common Area, in each case on a Recorded document and (ii) those portions of the Property located outside of a Parcel, in each case that are generally available, under this Master Declaration or the Recorded document that establishes such Open Space and Common Area, for the nonexclusive use, convenience and enjoyment of all Lessees and their Permittees (provided that the foregoing shall not restrict the ability of Declarant to restrict the use of Open Space and Common Area that is designed to benefit certain, but less than all, Parcels). Open Space and Common Area includes without limitation those portions of the Property intended from time to time for use as parks, greenbelts, landscaped areas, trails, off-road bike paths, walkways, sidewalks, streetscapes, medians, boardwalks, plazas, seating areas, retention areas, solar walks, and related facilities. Open Space and Common Area may also include private drainage and retention areas and facilities, for the non-exclusive use, convenience and enjoyment of the Lessees and Permittees of those Improvements that are approved pursuant to Article 4 to utilize such areas and facilities for such purpose. Open Space and Common Area includes private roads and private utilities located in private roads, but excludes Public Roads and Public Utilities located in Public Roads or in Public Utility easements. Open Space and Common Area may be designated by Declarant from time to time, in a Supplemental Declaration or otherwise, with the consent of the Lessee of the portion of the Property upon which the Open Space and Common Area is located.

"*Owner*" means the holder(s) of fee simple title to a Parcel in the Property, whether by sale, assignment, inheritance, operation of law, trustee's sale, foreclosure, or otherwise; provided, however, the term "*Owner*" does not include the holder of any lien or encumbrance on a Parcel, any fee owner of a Parcel that is also a Lessee of that Parcel, or any Tenant. If a Parcel has more than one Owner, all Owners are jointly and severally obligated to perform the responsibilities of the Owner. Mortgagees who acquire title to a Parcel, Lot, or Condominium Unit through a deed in lieu of foreclosure or through foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners.

"*Parcel*" means a portion of the Property established as such by the written designation of Declarant in this Master Declaration or in any Supplemental Declaration, or by the original creation of a ground leasehold interest in a portion of the Property pursuant to a Ground Lease from Declarant to another Person. Once a Parcel is so established, such Parcel may not be further subdivided without the prior written consent of Declarant. Upon dedication by an Owner to an applicable Governmental Authority of a portion of such Owner's Parcel for purposes of a public right-of-way (roadway), and so long as such dedicated portion is used solely for such purpose, such dedicated portion will no longer be considered a part of such Parcel, but will thereupon automatically be excluded from the operation and effect of this Master Declaration as fully as though the legal description of such dedicated portion were not included in the description of the Parcel originally subjected to this Master Declaration.

"*Parking System*" has the meaning set forth in Section 3.5.

"*Permittee*" means the Tenants, subtenant(s) or lawful occupant(s) of a Parcel and the respective employees, agents, contractors, customers, invitees, and licensees of a Lessee(s) or its Tenants, subtenant(s) or lawful occupant(s).

"*Person*" means an individual, a corporation, a partnership, a limited liability company, trust or any other legal entity.

"*Planned Unit Development*" or "*PUD*" means the zoning classification for the Development as passed by the City Council of the City of Georgetown, Texas, on October 28, 2025, as more particularly described in the PUD Ordinance.

"*Plat*" means a Recorded subdivision plat of any portion of the Property, and any amendments thereto.

"*Property*" has the meaning set forth in the Recitals to this Master Declaration.

"*Property Drainage Areas*" has the meaning set forth in Section 3.13.

"*Public Road(s)*" means a road (right-of-way) that is dedicated to the public and accepted for maintenance by the applicable Governmental Authority.

"*Public Utility/Utilities*" means the utility facilities and/or utility easement that is dedicated to the public and accepted for maintenance by the applicable Governmental Authority.

"*PUD Ordinance*" means that certain Ordinance No. 2025-62 that rezoned the Property as a Planned Unit Development, as amended from time to time, a copy of which may be obtained from the City or Declarant upon written request.

"*Recording*" and "*Recorded*" and similar terms, means recordation or the recording of a legal instrument in the Official Public Records of Williamson County, Texas, or such other place designated as the official location for filing documents affecting title to real estate in Williamson County in order to make them a matter of public record.

"*Special Assessment(s)*" has the meaning set forth in Section 5.10.

"*Supplemental Declaration*" means the document adding a Future Phase(s) or other portion(s) of the Property to the Property and, if applicable, containing additional covenants, restrictions, conditions, limitations and/or easements, to which the real property within such Future Phase or other portion(s) of the Property is subjected.

"*Tenant*" means a tenant, licensee, or other permitted occupant of a property affected by a Ground Lease, other than a Lessee.

"*TIRZ*" means a Tax Increment Reinvestment Zone, which is an area or areas of real property in which the City may capture the incremental increase in ad valorem taxes caused by increased property values to fund a Tax Increment Fund. The Tax Increment Fund will be managed by a TIRZ Board and used to reimburse private developers for certain improvements, as more particularly described in Chapter 311 of the Texas Tax Code, as amended from time to time.

"*TIRZ Budget*" is the annual budget adopted by a TIRZ Board in accordance with Chapter 311 of the Texas Tax Code, as amended from time to time, a copy of which may be obtained from the TIRZ Board by written request.

"*Transfer*" means any conveyance, assignment, lease, sublease, or other grant or conveyance of beneficial ownership of the Lessee's interest in a Ground Lease, whether occurring in one transaction or a series of related transactions, including but not limited to: (a) the assignment of a Lessee's interest in a Ground Lease; (b) a sublease of all or any part of the Parcel demised in a Ground Lease (but shall not include a space lease, license or other lease of space in an Improvement only); (c) the transfer of more than fifty percent (50%) of the outstanding shares of the voting stock of a corporation which, directly, or indirectly, owns the Lessee's interest in a Ground Lease; and (d) the transfer of more than fifty percent (50%) of the interest in net profits or net losses of any partnership, limited liability company, joint venture or other entity which, directly or indirectly, owns the Lessee's interest in a Ground Lease.

"*Transfer Price*" means, (i) if the Transfer is for cash or cash equivalent, the total consideration for the Transfer, or (ii) if the Transfer is not for cash or cash equivalent (or only partially so), the total value of the Transfer as reasonably determined by Declarant.

"*Transferee*" means all parties to whom any interest passes by a Transfer, and each party included in the term "Transferee" shall have joint and several liability for all obligations of the Transferee under this Master Declaration.

"*Transferor*" means all parties who pass or convey any interest by a Transfer, and each party included in the term "Transferor" shall have joint and several liability for all obligations of that Transfer, as provided for in this Master Declaration.

"*Use Restrictions*" means those certain restrictions on the use of a Lot, as set forth more particularly in Article 2 herein.

| **Table 1: Documents**<br><br>[The following are some, but not all, of the documents that affect the Development. Any Lessee is strongly urged to review a title commitment in order to review the recorded encumbrances of the Property.] | |
|---|---|
| **PUD Ordinance** (Available from the City or Declarant) | Establishes zoning standards for the Development. |
| **TIRZ Budget** (Available from the TIRZ Board, as amended from time to time) | Sets forth the incremental tax rate and approved expenditures for the following year. This will affect the Property if, and only if, the City establishes a TIRZ. |
| **Master Declaration** (Recorded) | Creates obligations binding upon all Lessees of the Property. |
| **Supplemental Declaration** (Recorded) | By its Recordation, a Supplemental Declaration will add real property to the Property and submit that real property to the terms and conditions of this |

| | |
|---|---|
| | Master Declaration, and, if applicable, to additional covenants, conditions, and restrictions set forth in the Supplemental Declaration. |
| **Design Standards** (Recorded) | Govern the standards for the construction of Improvements and modifications thereto; will include, without limitation, the Design Manual and other design documents Recorded from time to time (a Master Sign Program, e.g.). |

## ARTICLE 2

## USE RESTRICTIONS

2.1. **Permitted Uses**. Each Parcel shall be used only for lawful purposes in conformance with all restrictions imposed by all Applicable Law, encumbrances in existence prior to the Recordation of this Master Declaration, the PUD Ordinance and Development Plan, as amended from time to time, Southwestern campus policies, and purposes permitted by such Lessee's Ground Lease. Such purposes may include, without limitation, multi-family residential, retail, restaurant, office, hotel, entertainment, community/civic use and other general commercial uses, subject to restrictions in an applicable Ground Lease. A copy of Southwestern's campus policies may be obtained by written request from the Declarant.

2.2. **Permitted Uses Requiring Consent of Declarant**. In no event may a Parcel be used for single family residences or purposes associated with the provision of higher education, including, without limitation, offering undergraduate, trade school, community college, and graduate level instruction, without the prior written consent of the Declarant.

2.3. **Prohibited Uses**. Additionally, in no event may a Parcel be used for any of the following purposes,

(a) Any garage sale, moving sale, rummage sale or similar activity;

(b) A flea market, thrift store, or pawn shop (provided that this restriction shall not be construed to prohibit temporary street fairs, street markets, crafts festivals, and similar uses, to the extent approved by Declarant in its sole and absolute discretion);

(c) Raising, breeding or keeping of animals or poultry of any kind, including establishment of a stockyard or slaughtering of animals, provided that a Supplemental Declaration which allows a Parcel to be used for (i) multi-family purposes may permit domestic household pets or (ii) veterinary clinic may allow for the keeping of animals in connection with such veterinary services;

(d) Assembling, manufacturing, industrial, distilling, refining, smelting, drilling, mining or quarry operation, or agricultural use (provided that this restriction shall not be construed to prohibit the operation of a garden ancillary to a restaurant or similar use, or the operation of a community garden ancillary to a primary use);

(e) Any mining, oil, gas or other natural resource drilling, extraction or operation (provided that this provision will not be construed to prevent the excavation of rocks, stones, sand, gravel, aggregate, or earth, or the storage of such material for use as fill, provided that such activities are conducted in conjunction with the construction of Improvements and/or the development of the Property);

(f) Any convenience store (provided that this restriction shall not be construed to prohibit the operation of a convenience store incidental to the primary use of a Parcel for multi-family residential, office, retail, or other permitted commercial uses, or to prohibit the operation of an "urban market" or "urban grocer" and in each case, the use is otherwise approved by Declarant in its sole and absolute discretion);

(g) Any liquor store or smoke shop (provided that this restriction shall not be construed to prohibit (i) the sale of liquor, cigarettes, tobacco or other smoking products as incidental to the primary use of a Parcel as a restaurant, grocery store, or other use, or (ii) the sale of liquor for off-premises consumption so long as on-premises consumption of liquor is within the permitted use of a Parcel, and in each case as to clauses (i) and (ii) is otherwise approved by Declarant in its sole and absolute discretion);

(h) Abortion clinics;

(i) Video arcade or other type of game room (provided that this provision shall not be construed to prevent (i) the operation of a video arcade or other type of game room incidental to the primary use of a Parcel as a restaurant or other use, or (ii) the operation of puzzle rooms or other types of game rooms, in each case as to clause (i) and (ii). to the extent approved by Declarant in its sole and absolute discretion);

(j) Currency exchange or any so-called "payday loan" establishment;

(k) The cultivation, growth, storage, manufacturing, dispensing, or distribution of marijuana or recreational or medical marijuana operations;

(l) Automotive sales (including, without limitation, recreational vehicles), long term automotive leases, truck terminals, automobile repair facilities, body shops, spray painting shops, or any use involving the sale of auto parts or services (provided that this provision shall not be construed to prevent enclosed show rooms associated with automotive sales, e.g., a Tesla/Rivian showroom);

(m) Equipment rental services (provided, however, rental of medical equipment is allowed);

(n) Any activity that generates excessive noise, odors, light, or otherwise constitutes a public or private nuisance or a hazard, such as, but not limited to, unsightliness, the excessive emission of noise, odors, liquids, gases, dust, fumes or smoke, vibration, electromechanical disturbance and radiation, electromagnetic radiation, or any form of air or water pollution, or the emission of odorous, toxic or noxious matter or hazardous effluents, as reasonably determined by Declarant; provided that a Supplemental Declaration may permit open fires within safe and well-designed fireplaces or in contained barbecue units while attended and in use for cooking purposes;

(o) Any mobile home park, trailer court, labor camp, or junkyard; provided, however, this prohibition shall not be applicable to the temporary use of construction trailers in connection with construction activities. Notwithstanding the foregoing, the temporary and/or permanent use of shipping containers on the Property shall not be prohibited, provided any such use shall be in accordance with this Master Declaration;

(p) Any storage of unsightly articles or vehicles, or the overnight parking of campers, mobile homes or HUD code manufactured housing, boats or motor homes; provided, however, the temporary and/or permanent use of modular homes on the Property are not prohibited;

(q) A landfill, garbage dump or other such facility for the dumping, disposing, incineration or reduction of garbage, sewage, dead animals or refuse is dumped, disposed, incinerated or reduced; provided,

however, this prohibition is not applicable to garbage compactors located on a Parcel to the extent processing normal garbage of the Lessees and Permittees of such Parcel;

(r) Any drop-off central laundry, dry cleaning plant or laundromat; however, drop off and pick up laundry facilities where no cleaning is done on the premises are not prohibited;

(s) Any establishment selling or exhibiting illegal and/or recreational drug-related paraphernalia;

(t) Any establishment which exhibits nude dancers or waitstaff (either live or by other means);

(u) Any sexually themed or sexually oriented business, such as, but not limited to, x-rated movie, video or book sales, theater or rental facility, nude modeling studio, massage parlor or as otherwise determined by the City of Georgetown or other applicable governmental entity;

(v) Any off-track betting or any business where more than 10% of the space demised to the Permittee is utilized as a gambling establishment (other than the incidental sale of lottery tickets); provided, however, that in the event of a change in law which permits Class A institutional quality gambling establishments to operate in the Austin Metropolitan Statistical Area, such establishments shall be permitted on the Property in accordance with Applicable Laws;

(w) A used clothing business (other than a high-end resale shop or high-end "vintage" clothing store) or a business that specializes in bankruptcy or liquidation sales or the selling of fire damaged items;

(x) A free-standing fast food restaurant, such as McDonald's or Burger King;

(y) A pawn shop;

(z) A tattoo or piercing parlor (provided, however, high quality piercing events at a jewelry shop shall be permitted provided if done in strict compliance with Applicable Laws);

(aa) The sale or storage of explosives of fireworks (but the display of fireworks in connection with holidays, promotions, and other special events are permitted if done in strict compliance with Applicable Law);

(bb) Assembling, manufacturing, distilling (except that beer brewery and similar small and medium scale distilling operations shall be permitted in the context of a "micro-brewery" or "micro-distillery" restaurant or bar), smelting, or other industrial use; provided, however, assembling, manufacturing and light industrial use shall be permitted provided such activities are performed in furtherance of the purposes set forth in the Recitals of this Master Declaration;

(cc) A dance club or hall;

(dd) A bail bond establishment;

(ee) Any collection agencies or check-cashing services;

(ff) Any telemarketing, data processing or reservation centers or customer service offices;

(gg) Workers' Compensation offices;

(hh) Any establishments providing medical treatment or health care, including, without limitation, emergency rooms, urgent care centers, mental health care facilities, imaging centers or rehabilitation or nursing care facilities;

(ii) Carnivals, rodeos or horse shows;

(jj) Taxidermy shops or businesses;

(kk) Billboards or marketing signage, excepting any way-finding signs or marketing advertisements for the Development.

Declarant shall have the right, from time to time after the date of this Master Declaration, to grant variances to the prohibited uses set forth in this Section, provided any such variance is for a use that is permitted in other similar developments or is determined by Declarant to be is consistent with Class A uses and to be in furtherance of the purposes set forth in the Recitals of this Master Declaration.

2.4. **Hazardous Substances**. Each Parcel and any and all facilities located or operations conducted on such Parcel will not be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process hazardous, toxic or regulated substances or solid wastes of any kind, except in compliance with all Applicable Law. In no event may a Lessee permit above ground or underground tanks to be located on its Parcel without the prior written consent of Declarant in its sole and absolute discretion.

2.5. **Rubbish and Debris**. No rubbish or debris of any kind may be placed or accumulated on the Property, neither may odors be allowed to arise therefrom so as to render all or any portion of the Property unsanitary, unsightly, offensive or detrimental to any other Property or its occupants. Refuse, garbage and trash must be kept in covered containers, and such containers must be kept within enclosed structures or appropriately screened from view.

2.6. **Exterior Storage and Display**. Except as permitted by Declarant, no Parcel shall be used for (i) exterior storage of materials, supplies, furniture, fixtures, appliances, machinery, equipment, vehicles, or other goods outside a building; (ii) temporary or permanent display of any item (including without limitation newspaper or magazine racks, and vending machines) outside a building; or (iii) third party advertising or branding that is unrelated to the use of the Parcel.

2.7. **Antennas**. Except as expressly provided below, no exterior radio or television antennas or aerial or satellite dish or disc may be erected, maintained or placed within any portion of the Property without the prior written approval of the DRC; provided, however, that:

(a) an antenna designed to receive direct broadcast services, including direct-to-home satellite services, which is one meter or less in diameter; or

(b) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, which is one meter or less in diameter or diagonal measurement; or

(c) an antenna that is designed to receive television broadcast signals.

Collectively, (a) through (c) are referred to herein as the "**Permitted Antennas**". Permitted Antennas will be permitted subject to reasonable requirements as to location and screening as may be set forth in rules adopted by the DRC, consistent with Applicable Law, in order to minimize obtrusiveness as viewed from

ordinary public view. A master antenna, cable, or other communication system may be installed for the benefit of all or any portion of the Property provided that such master antenna, cable, or other communication system is approved in advance and in writing by the DRC. A Permitted Antenna exists at the sole risk of the Lessee and/or its Permittees. Declarant shall not insure any Permitted Antenna and is not liable to the Lessee or its Permittees for any loss or damage to the Permitted Antenna from any cause.

A Lessee or its Permittees may erect a Permitted Antenna (after written notification has been provided to the DRC) if the Lessee or its Permittees have an exclusive use area in which to install the Permitted Antenna. An "exclusive use area" is an area in which only the Lessee or its Permittee may enter and use to the exclusion of all other Lessees or their Permittees. Unless otherwise approved by the DRC, the Permitted Antenna must be entirely within the exclusive use area. For example, if a Permitted Antenna is erected on a balcony, the Permitted Antenna may not protrude or extend outside of the balcony. UNLESS EXPRESSLY APPROVED IN ADVANCE AND IN WRITING BY THE DRC, NO LESSEE OR PERMITTEE MAY INSTALL OR ERECT A SATELLITE DISH ON THE EXTERIOR WALL OR ROOF OF ANY IMPROVEMENT CONSTRUCTED ON THE PROPERTY.

2.8. **Flags and Flagpoles**. No flag or banner may be displayed to the public view on a Parcel except for the American flag, the Texas flag, an official or replica flag of any branch of the United States Armed Forces or as approved by the DRC. Flags and banners shall be in accordance with City regulations and may be no larger than three feet by five feet (3' x 5'). The DRC shall have final approval on the size, location, mounting, pole height, lighting, maintenance and other responsibilities of displaying a flag. The DRC may regulate the number of flags that may be flown at one time (so long as at least two (2) such flags are permitted at a time) and the number, location and size of flagpoles.

2.9. **Signs**. No sign of any kind may be displayed to the public view on a Parcel without the prior written approval of the DRC, except for:

(a) Signs as may be required by legal proceedings; and

(b) Signs as may be required by any Governmental Authority.

Signs must be in compliance with the Design Standards, in the sole discretion of Declarant. Additional sign requirements, if any, are set forth in the Design Standards.

2.10. **Temporary Structures**. No tent, shack or other temporary building, improvement or structure may be placed on or within the Property without the prior written approval of Declarant; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders, and foremen during actual construction, may be maintained with the prior approval of Declarant.

2.11. **Disclosures**. The Property is located on and/or near Southwestern's Georgetown campus. The Property is intended to be developed as a mixed use Development that may include residential, office, retail, athletic, civic, multifamily, student housing, hotel, cultural, open space and other uses. As a result of such mixed uses, there may be a large number of possible entertainment facilities, operations, sports facilities and other venues that offer live and amplified music, restaurant and dining operations, theaters, outdoor music venues, outdoor markets, outdoor sporting events and other street events, and other live events and activities. Such operations and activities may include, without limitation, amplified noise, fireworks, twenty-four (24) hour operations, increased traffic, street closures, temporary disruption of access and similar inconveniences. Additionally, the construction of Improvements in the Property may result in temporary restricted access to businesses and parking, temporary closures of pedestrian and bicycle pathways, temporary disruption of utility services, short term impacts on air quality due to dust and construction equipment, and potential short duration noise and vibration impacts due to the operation of

construction equipment. In no event shall any of the foregoing be deemed to constitute eviction of a Lessee or violation by the lessor or Owner under its Ground Lease or subject Declarant, Southwestern or the Board to any liability. Further, in no event shall any of the foregoing be deemed a breach of any of the easement rights granted in this Master Declaration.

2.12. **Weapons, Explosive Devices and Fireworks**. The use, possession, display or storage of any weapon, explosive device or fireworks on all land and buildings owned, leased, or under the control of Southwestern or its affiliated or related entities, in all Southwestern residential facilities (whether managed by Southwestern or another entity), in all Southwestern vehicles, and at all Southwestern or Southwestern affiliate sponsored events and activities is regulated in accordance with Southwestern's "No Weapons Policy", which may be amended from time to time by Southwestern in its sole discretion. Notification by each Lessee to all persons or entities who are employees, officers, subcontractors, consultants, agents, guests, invitees or licensees of Lessee or its Permittees ("*Notification Parties*") of this No Weapons Policy is a condition and requirement of this Master Declaration. Each Lessee further agrees to enforce this contractual requirement against all Notification Parties. A copy of Southwestern's No Weapons Policy may be obtained upon written request to Declarant and/or at the following web page: https://www.southwestern.edu/policy/human-resources/no-weapons-policy/. These regulations are in addition to, and not in lieu of, any Applicable Law.

2.13. **Smoking and Vaping**. Smoking and vaping are prohibited in all buildings owned, leased, or under the control of Southwestern or its affiliated or related entities, in all Southwestern residential facilities (whether managed by Southwestern or another entity), in all Southwestern vehicles, and at all Southwestern or Southwestern affiliate sponsored events and activities. Smoking and vaping are also prohibited within twenty-five feet (25') of building entrances, operable windows, or air intakes and within defined outdoor event spaces and stadiums, including residence halls and apartments, balconies, and patio areas. These restrictions shall apply to the Development. These restrictions are known as the "Smoke-Free Workplace Policy", which policy may be amended from time to time by Southwestern, in its sole discretion. A copy of this Smoke-Free Workplace Policy may be obtained upon written request to Declarant and/or at the following web page: https://www.southwestern.edu/policy/human-resources/smoke-free-workplace-policy/. Notification by each Lessee to all Notification Parties of this Smoke-Free Workplace Policy is a condition and requirement of this Master Declaration. Each Lessee further agrees to enforce this contractual requirement against all Notification Parties. These regulations are in addition to, and not in lieu of, any Applicable Law.

2.14. **Condominium Regime**. No condominium regime will be impressed upon all or any portion of the Property unless the declaration establishing the condominium regime has been approved in writing by the Declarant. In the event that a condominium regime is impressed upon all or any portion of the Property, the Declarant may amend this Master Declaration to the extent necessary to reflect that the provisions otherwise applicable to the Property apply to each Condominium Unit.

2.15. **Utility Lines**. Unless constructed by Declarant, Declarant's designee or the City of Georgetown, no sewer, drainage or utility lines or wires or other devices for the communication or transmission of electric current, power, or signals including telephone, television, microwave or radio signals, shall be constructed, placed or maintained anywhere in or upon any portion of the Property other than within buildings or structures unless the same shall be contained in conduits or cables constructed, placed or maintained underground or concealed in or under buildings or other structures, unless otherwise approved by the Declarant in its sole discretion. This Section 2.15 shall not apply to temporary drainage or utility lines or wires or other devices used during construction.

2.16. **Fences**. No fence may be constructed on the Property without the prior written consent of the DRC. Additional fencing requirements, if any, are set forth in the Design Standards. Notwithstanding the

foregoing, this Section shall not apply to construction or other temporary construction erected in accordance with this Master Declaration.

## ARTICLE 3

### OPEN SPACE AND COMMON AREA; EASEMENTS

3.1. **Use and Configuration of Open Space and Common Area**. The size, configuration and arrangement of the Open Space and Common Area and all Improvements and facilities constructed thereon shall be determined by Declarant from time to time in its sole discretion, subject to (as to Open Space and Common Area on a Lessee's Parcel) the rights of the Lessee under its Ground Lease for such Parcel.

3.2. **Transfer or Dedication of Open Space and Common Area**. Lessees acknowledge that some or all of the Open Space and Common Area may be open for use and enjoyment of the public. Further, Declarant may, in its sole discretion, dedicate or transfer in fee, or grant easements, licenses or other rights to use, any portion of the Open Space and Common Area, provided that Declarant may not transfer in fee any portion of a Lessee's Parcel without the Lessee's consent (in its reasonable discretion) to any Governmental Authority or utility. Declarant may terminate this Master Declaration as to such property upon any such dedication or transfer in fee through a Recorded notice in the Official Public Records of Williamson County, Texas. However, this Master Declaration shall remain in full force and effect following any grant of such easements, licenses or other rights to use. Any proceeds from the sale or transfer of Open Space and Common Area shall belong to Declarant, subject to Section 5.6 below.

3.3. **Obstructions**. Except as permitted by this Section, no permanent Improvement that could constitute a barrier may be constructed or placed by a Lessee in the Open Space and Common Area. Declarant may grant a Lessee or others the right to install temporary structures and barricades on portions of the Open Space and Common Area in connection with the construction of permanent Improvements on the Parcels or the Open Space and Common Area, or the maintenance or repair of the Parcels, Open Space and Common Area, or in connection with other activities as reasonably determined by Declarant, including, but not limited to, special events. All temporary barricades and structures installed by a Lessee must be maintained in a safe, neat and clean condition by the Lessee installing them.

3.4. **Use of the Open Space and Common Area**. Lessees and their Permittees jointly enjoy non-exclusive possession of the Open Space and Common Area under and subject to this Master Declaration. Declarant reserves the right at any time and from time to time to remove, exclude or restrain by appropriate means any Person who is using or occupying the Open Space and Common Area in a manner contrary to this Master Declaration or Applicable Law, as determined by Declarant. If such unauthorized use is by a Lessee or its Permittees, such Lessee shall immediately cease and cause its Permittees to immediately cease such unauthorized use upon notice from Declarant. Declarant may designate some Open Space and Common Area for the use of less than all Parcels.

3.5. **Parking**. On-street parking may be subject to rules and regulations adopted by Declarant from time to time. Such rules may include the adoption of a parking permit system and/or parking meters ("*Parking System*"). If a Parking System is adopted, to the extent of any conflict between the terms and provision of the Parking System and any rules previously adopted by Declarant regarding parking, the terms and provisions of the Parking System will control. Without limitation of the foregoing, Declarant may, in its sole discretion, grant exclusive use rights to parking and parking easements within the Development.

3.6. **Rules and Regulations**. Declarant may at any time and from time to time by written notice to all Lessees establish and thereafter supplement, modify or amend, reasonable and nondiscriminatory rules and regulations for the use of the Open Space and Common Area by Lessees and their Permittees, which must

be complied with by all Lessees and their respective Permittees, and which may include, but not be limited to, the temporary closure of all or any portion of the Open Space and Common Area for special events, for maintenance and repair, or for any other reasonable purpose designated by Declarant, including closures that may be necessary to prevent a dedication of the Open Space and Common Area or the accrual of any prescriptive rights therein to any Person or the public.

3.7. **Commercial Use by Lessees Restricted**. Except as expressly permitted by a Supplemental Declaration, or with Declarant's prior written consent, no portion of the Open Space and Common Area may be used for commercial or group activities, including without limitation, team building events, company parties, athletic events, fund-raisers or other charitable events, political demonstrations or rallies, street fairs or crafts festivals. As a condition to such consent, the Lessee or its Permittee shall provide evidence of insurance and take other safety precautions as Declarant may require.

3.8. **Rights to Use Reserved by Declarant**. Declarant shall have the right at any time and from time to time to use, and to grant others the right to use, all or any portion of the Open Space and Common Area (including without limitation any portion thereof located on a Lessee's Parcel) for the purpose of conducting events such as parades; street fairs, crafts festivals, running, biking or other sporting events; educational, cultural, artistic, musical and entertainment activities; charitable, philanthropic, political, marketing or other purposes, in each case as determined by Declarant in its reasonable discretion; provided, however, that Declarant shall use commercially reasonable efforts to ensure that such activities do not unreasonably interfere with (i) reasonably direct pedestrian access during Normal Business Hours between any Lessee's Parcel and the primary parking facilities provided to such Lessee in connection with its Ground Lease, if such parking facilities are not located on such Lessee's Parcel; and (ii) reasonably direct vehicular access during Normal Business Hours to any Lessee's primary parking facilities provided to such Lessee in connection with its Ground Lease, whether such parking facilities are located on site or off site of such Lessee's Parcel. Subject to Declarant's covenants in this Section, each Lessee acknowledges and agrees that the exercise of this right may result in temporary road closures, and a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Lessee agrees on behalf of itself and its Permittees to take no action, legal or otherwise, which would interfere with the exercise of such right. Declarant shall pay, or shall cause the applicable user to pay, all costs and expenses incurred from such use or event. Declarant shall restore or cause the Open Space and Common Area used in conjunction with the special event to be restored, to substantially the same condition as existed prior to the special event. Declarant's right to use the Open Space and Common Area for special events shall be enforceable by injunction and by any other remedy in law or equity.

3.9. **Open Space and Common Area Easements for Use**. Declarant hereby grants and reserves an easement in favor of the Lessees and their Permittees for reasonable access, ingress and egress over all Open Space and Common Area, solely for the purposes of pedestrian and non-vehicular access and circulation between the Parcels and adjacent public and private rights- of-way, for the comfort and convenience of the Lessees and their Permittees, and for the purpose of vehicular access but only to the extent vehicular access is expressly permitted in writing by Declarant or in a Recorded document (including in a Supplemental Declaration), and/or for any other use expressly permitted by this Master Declaration or in Supplemental Declarations, or required by any Governmental Authority having jurisdiction over the Property. Such use is subject to the restrictions and limitations in this Master Declaration, any Supplemental Declaration, and the rules and regulations promulgated by Declarant pursuant to this Master Declaration. Each Lessee and its Permittees may use the Open Space and Common Area only in such a manner as not to unreasonably interfere with, obstruct or delay the conduct and operations of the business of Declarant or any other Lessee or its Permittees at any time conducted on its Parcel.

3.10. **Easements for Declarant**. Declarant hereby grants and reserves in favor of Declarant the following:

(a) an easement upon, over, under, above and across the Property for the purpose of the construction, use, operation, maintenance, removal, and replacement of the Open Space and Common Area and any Improvements thereon, and access for the foregoing purposes, subject to (as to Open Space and Common Area on a Lessee's Parcel) the rights of the Lessee under its Ground Lease for such Parcel; and

(b) an easement to enter upon a Parcel pursuant to the self-help provisions of Sections 4.12 and 6.6 hereof for the purpose of performing any obligation which the Lessee of such Parcel is required to perform under this Master Declaration but fails or refuses to perform within the applicable time period provided in Sections 4.4 and 6.6.

3.11. **Landscape, Monumentation, and Signage Easement**. Declarant hereby reserves an easement over and across the Property, including on and within any Improvements, for the installation, maintenance, repair, or replacement of landscaping, monumentation, and signage (including, without limitation, wayfinding signage) which serves the Property and any other property owned by Declarant or its affiliated entities. Declarant will have the right but not the duty to Record a written notice which identifies the landscaping, monumentation, or signage to which the easement reserved hereunder applies. Declarant may designate all or any portion of the landscaping, monumentation, or signage as Open Space and Common Area.

3.12. **Roadway and Utility Easements**. Declarant hereby reserves for itself and its assigns a perpetual non-exclusive easement over and across the Property for: (a) the installation, operation, and maintenance of utilities and associated infrastructure to serve the Property and any other real property owned by Declarant; (b) the installation, operation and maintenance of cable and telecommunications lines and associated infrastructure for sending and receiving data and/or other electronic signals, security and similar services to serve the Property and any other real property owned by Declarant; (c) the installation, operation and maintenance of walkways, pathways and trails, drainage systems, street lights and signage to serve the Property and any other real property owned by Declarant; (d) the installation, location, relocation, construction, erection and maintenance of any streets, roadways or other areas to serve the Property and any other real property owned by Declarant. Declarant will be entitled to unilaterally assign the easements reserved hereunder to any third party who owns, operates, or maintains the facilities and Improvements described in (a) through (d) of this Section. In addition, Declarant may designate all or any portion of the easements or facilities constructed therein as Open Space and Common Area.

3.13. **Easements for Property Drainage Areas**. Declarant hereby reserves and each successive Lessee thereof by accepting title to a Parcel within which portions of the Parcel include drainage easements for drainage of stormwater from streets within the Property ("*Property Drainage Areas*") are located hereby consents to and grants (a) to every other Lessee and its Permittees, for the benefit of their respective portions of the Property, an easement upon and across the Property Drainage Areas for surface drainage of stormwater in accordance with Applicable Law; and (b) to the Declarant an easement to enter upon the Property Drainage Areas to exercise any rights and perform any obligations of the Lessee(s) and their Permittees provided in this Section.

3.14. **Terms Applicable to all Easements**. The easements granted herein are nonexclusive. Each Lessee, as to its Parcel, has the right to use and occupy all or any portion of the Open Space and Common Area on its Parcel for any use or purpose not inconsistent with such easements and this Master Declaration and such Lessee's Ground Lease. Declarant has the right to use and occupy, and to grant others the right to use and occupy, all or any portion of the Open Space and Common Area for any use or purpose not inconsistent with this Master Declaration. Any such use by others shall not be a breach of the covenant of quiet enjoyment or any other provision in such Lessee's Ground Lease. This Master Declaration does not create any implied easements. Except to the extent expressly set forth in this Master Declaration, all easements granted in this Master Declaration are perpetual in duration. **Each Lessee and its Permittees shall be**

**responsible for their own personal safety and the security of their property in the Open Space and Common Area**. Declarant shall not in any way be considered an insurer or guarantor of safety or security within the Open Space and Common Area, nor shall it be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of any security measures undertaken.

## ARTICLE 4

### ARCHITECTURE, LANDSCAPING, AND AESTHETIC STANDARDS

4.1. **General**. In order to achieve and maintain a harmonious and uniform quality of development for all Parcels, all Improvements to a Parcel by a Lessee and any alterations by a Lessee to such Improvements are subject to the Design Standards and the approval procedures set forth in this Article, except as this Article or the Design Standards may otherwise specify. As a general matter, no Improvements may be constructed on a Parcel unless the Lessee has received approval from the DRC under this Article.

4.2. **DRC**. The size and composition of the DRC will be determined by Declarant, and Declarant may, at any time and from time to time, appoint one or more ex-officio members to the DRC who may serve in a non-voting, advisory capacity. The DRC has authority to review and act upon all applications for review of proposed Improvements in accordance with the procedures set forth in the Design Manual. No approval of any Improvement proposed for a Parcel under this Article will be issued by the DRC unless, on the date of issuance, all Common Area Expenses and other charges levied pursuant to this Master Declaration or any Supplemental Declaration against the Parcel have been paid in full. DRC approval is not required to repaint the exterior of existing structures so long as the color was previously approved by the DRC. Generally, DRC approval is not required for work done to the interior of a structure; however, modifications to the interior of a structure visible from outside of the structure do require prior approval from the DRC. Exterior alterations or additions to Improvements, or reconstruction following casualty also require prior approval. DRC approval under this Article is not a substitute for any approvals or reviews required by the City, County or any Governmental Authority having jurisdiction over architectural or construction matters or required by Declarant. A Lessee may not make a submittal for approval to the City, County or any other applicable authority with respect to any activities over which the DRC has approval unless and until the Lessee has received such approval by the DRC.

4.3. **Design Standards**. The Design Standards may contain general provisions applicable to all of the Property as well as specific provisions that vary among uses, Improvements, or locations within the Property. The Design Standards are intended to provide guidance to Lessees and contractors regarding matters of particular concern to the DRC. The Design Standards are not the exclusive basis for the DRC's decisions, and compliance with the Design Standards does not guarantee approval. The Design Standards may be amended only by Declarant. Amendments to the Design Standards shall apply prospectively only, subject to the further provisions of Section 4.9. The Design Standards shall not require modifications to or removal of any Improvements previously approved once the approved construction or modification has begun. However, any new work on such Improvements must comply with the Design Standards as amended from time to time. The Design Standards that will control shall be those Design Standards that are Recorded as of the date of any submittal or application for approval pursuant to this Article 4 and the procedures set forth in the Design Manual.

4.4. **DRC Procedures**. The DRC will follow such procedures as established in the Design Standards, as amended by Declarant from time to time.

(a) ***Submittals***. Unless the Design Standards provide otherwise, a Lessee may not commence activities within the scope of this Article with respect to its Parcel until written applications are submitted to and approved in writing by the DRC. The applications must be accompanied by plans and specifications

as defined in the Design Manual, as amended from time to time, and such other information as the DRC or the Design Standards require. Declarant may adopt other processes from time to time with respect to the submittal and approval by DRC.

(b) ***Review of Applications***. In reviewing each application, the DRC may consider any factors it deems relevant, including, without limitation, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, and harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Lessee acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular Improvements.

(c) ***No Deemed Approvals***. In no event will the DRC's failure to respond be deemed an approval. No approval shall be inconsistent with the Design Standards or the Development Plan unless a written variance has been granted pursuant to Section 4.6. Declarant may in its sole discretion exempt certain activities from the DRC application and approval requirements of this Article. The DRC's approvals expire pursuant to Section 4.9.

(d) ***Discretionary Authority***. The DRC shall have the sole discretion to make final, conclusive, and binding determinations on matters that are subject to its approval, and such determinations shall not be subject to appeal. Such determinations shall not be subject to judicial review so long as they are made in good faith and in accordance with required procedures. The DRC shall make a determination on each application after receipt of a completed application with all required information. The DRC may permit or require that an application be submitted or considered in stages, in which case a final decision shall not be required until after the final, required submission. The DRC may: (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions specifying the segments or features that are objectionable and suggestions, if any, to address the objectionable portions; or (iii) disapprove the application.

4.5. **No Waiver of Future Approvals**. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

4.6. **Variances**. The DRC in its sole and absolute discretion may grant variances from compliance with any of the provisions of this Article and the Design Standards, subject to the PUD Ordinance and Applicable Law. No variance shall; (a) be effective unless in writing on a form approved by the DRC; or (b) prevent the DRC from denying a variance in other circumstances. Each variance must also be Recorded at the expense of the Lessee requesting the variance; provided, however, that failure to Record a variance will not affect the validity thereof or give rise to any claim or cause of action against the DRC, Declarant, or Southwestern. If a variance is granted, no violation of the covenants, conditions, or restrictions contained in the Documents will be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance will not operate to waiver or amend any of the terms and provisions of the Documents for any purpose except as to the particular property and in the particular instance covered by the variance, and such variance will not be considered to establish a precedent for any future waiver, modification, or amendment of the terms and provisions of the Documents.

4.7. **No Alterations**. Once the DRC has reviewed and approved the application for the construction of Improvements on a Parcel, such Improvements must be constructed in accordance therewith, and any further modification thereof requires the prior written approval of the DRC; provided, however, the provisions of the immediately preceding sentence do not require the submission to DRC for approval of "minor modifications" to the approved final plans. For the purposes of this Section, "minor modifications" are modifications that (i) do not affect the exterior appearance of the buildings and other Improvements on

a Parcel, (ii) do not result in an increase or decrease in construction cost of more than a de minimis amount, as determined by Declarant from time to time, (iii) do not result in the Improvements, as modified, no longer being in substantial conformance with the Improvements as originally approved by the DRC, (iv) do not result in the Improvements, as modified, no longer being in conformance with the Design Standards, and (v) do not require a City permit to be constructed.

4.8. **Fees; Compensation of the DRC**. Declarant may establish a schedule of reasonable fees to be charged by the DRC for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application.

4.9. **Expiration of DRC Approvals**. If the Lessee has not commenced construction of any Improvements subject to DRC approval within one (1) year after receiving DRC approval, such approval shall expire and be of no further force and effect. If Lessee still desires to construct the Improvements that were subject to such approval, Lessee shall resubmit its request for approval to the DRC, in accordance with the DRC's then applicable procedures, which application shall be subject to the Design Standards, as amended, in effect at the time of such resubmittal.

4.10. **Limitation of Liability**. This Article establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Property; it does not create any duty to any Person. Review and approval of any application pursuant to this Article may be based purely on aesthetic considerations. Neither Southwestern, the DRC nor Declarant is responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all structures are of comparable quality, value, size, or are aesthetically pleasing or otherwise acceptable to other Lessees. Approval of plans and specifications must not be construed as a representation or guarantee that the structure is in compliance with Applicable Law, governmental requirements or restrictions or requirements other than the terms of this Master Declaration and the Design Standards. The DRC may assume that information set forth on any plans and specifications submitted for review are correct. The DRC will not be responsible for confirming that the plans and specifications comply with applicable building safety or other governmental requirements.

**Without limiting the provisions of the preceding paragraph, Southwestern, the DRC, Declarant, and their respective board members, officers, directors, committee members, consultants, development partners and employees, shall not be liable for: (a) soil conditions, drainage, or other general site work; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant or the DRC has approved or featured such contractor as a builder; (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Parcel; or (e) any lost profits or other consequential damages. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE LESSEE ASSUMES ALL RISK AND RESPONSIBILITY WITH RESPECT TO THE PLANS AND OTHER DRAWINGS AND SPECIFICATIONS SUBMITTED TO THE DRC AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS SOUTHWESTERN, THE DRC, DECLARANT AND THEIR RESPECTIVE BOARD MEMBERS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, CONSULTANTS, DEVELOPMENT PARTNERS AND EMPLOYEES, OF, FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, OBLIGATIONS OR LIABILITIES ARISING THEREFROM OR RELATED THERETO.**

4.11. **Certificate of No Violation**. Any Lessee may request in writing that Declarant issue a certificate with respect to a specific Parcel and/or Improvements, certifying that there are no known violations of this Article or the Design Standards. Declarant shall either grant or deny such written request within sixty (60) days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent

Declarant from taking enforcement action against a Lessee for any condition to which Declarant had Actual Knowledge on the date of such certificate and not disclosed in such certificate.

4.12. **Enforcement**. Any Improvements constructed, installed, or taking place in violation of this Article or in a manner inconsistent with plans approved in accordance with this Article or the Design Standards shall be deemed to be non-conforming. Upon written request from Declarant, a Lessee shall, at its own cost and expense, remove any non-conforming structure or Improvement and restore the Parcel to substantially the same condition as existed prior to the nonconforming Improvements. If a Lessee fails to remove the structure or Improvement and restore the Parcel as required, Declarant shall have the right to enter the Parcel, remove the violation, and restore the Parcel to substantially the same condition as previously existed, and any such action shall not be deemed a trespass. Upon demand, the Lessee shall reimburse all costs incurred by Declarant (or its designees) in exercising its rights under this Section (the "*Enforcement Costs*"). If Declarant is holding a deposit pursuant to a Lessee's Ground Lease, Declarant may apply such deposit for such purpose, in Declarant's sole discretion. Declarant may assess any costs incurred in taking enforcement action under this Section, together with interest, as more fully described in Section 6.3. In addition, Declarant may preclude any contractor, subcontractor, agent, employee, or other invitee of a Lessee who fails to comply with the terms and provisions of this Article or the Design Standards from continuing or performing any further activities in the Property. In addition to the foregoing, Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the DRC under this Article. **Any Lessee that executes a Ground Lease acknowledges and agrees that (i) Declarant's exercise of its rights pursuant to this Section 4.12 shall cause Declarant to incur losses that are impracticable or extremely difficult to quantify with precision, including but not limited to staff time, consultant review, mobilization, coordination, disruption to community operations, reputational impacts, and administrative burdens and (ii) the following fees represent a reasonable pre-estimate of such damages and such amounts shall not be construed as a penalty: the sum of (A) the Enforcement Costs, (B) an administrative charge equal to five percent (5%) of the Enforcement Costs, and (C) a per diem charge of One Thousand U.S. Dollars and No/100 ($1,000.00) if Lessee fails to correct the non-conforming structure or Improvement and restore the Parcel as required herein, such fee to be charged every day beginning on the date Declarant sends written notice of a violation until the date the violation is corrected. The per diem charge shall increase annually by three percent (3.00%).** DECLARANT AND ITS BOARD MEMBERS, OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES SHALL NOT BE HELD LIABLE TO ANY PERSON FOR EXERCISING THE RIGHTS GRANTED BY THIS ARTICLE.

## ARTICLE 5

### CONSTRUCTION, MAINTENANCE, REPAIR, AND REPLACEMENT

5.1. **Maintenance by Lessees**. Each Lessee shall be responsible to maintain its Parcel, including all Improvements thereon, exclusive of Common Area and Open Space located on such Parcel, in good order, condition and repair, in a manner consistent with first-class mixed use developments in metropolitan Austin, Texas, and in accordance with the terms of such Lessee's Ground Lease, this Master Declaration, any Supplemental Declaration, any rules and regulations established by Declarant pursuant to this Master Declaration, and Applicable Law.

5.2. **Maintenance and other Activities during Construction**. After a Lessee commences construction of any Improvements on its Parcel, the Lessee shall diligently pursue the construction to completion. Declarant shall have the right from time to time to establish reasonable rules and regulations related to construction activities, including but not limited to imposing specific maintenance obligations relating to construction activities, restricting the time periods for construction activities to occur, requiring construction to commence and/or be completed within a certain time period, specifying any limitations or

restrictions on access to the Parcel for construction purposes, including without limitation construction routes for all construction vehicles and equipment, regulating construction staging, establishing traffic control procedures, including procedures applicable during periods of special events, and imposing reasonable safety requirements and procedures. Unless approved in writing by Declarant, no materials, supplies or equipment, including trucks or other motor vehicles, shall be stored upon any portion of the Property except inside a closed building or behind a visual barrier screening such materials, supplies, or vehicles so as not to be visible from neighboring properties and street. The construction materials, location, and size of all screening, storage, and loading areas must be approved in writing by the Declarant prior to commencement of any construction activities.

5.3. **Enforcement**. In addition to any other enforcement rights, including any enforcement rights available pursuant to a Ground Lease, if any Lessee fails to properly perform its maintenance responsibility, Declarant (either directly or through its designee) may perform such maintenance responsibilities and assess all costs incurred by Declarant and/or its designee, as applicable, plus an administrative fee for overhead and supervision equal to fifteen percent (15%) of such costs, against the Parcel and the Lessee in accordance with Section 6.6. Declarant shall afford the Lessee notice and a reasonable opportunity to cure the deficiency prior to entry, except when entry is required due to an emergency situation.

5.4. **Maintenance of Open Space and Common Area**. Declarant (by itself or acting through its designee, in its sole discretion) will maintain the Open Space and Common Area in good order, condition and repair, in a manner consistent with first-class mixed use developments in metropolitan Austin, Texas, and in accordance with Applicable Law. In order to maintain consistent standards throughout the Development, Declarant may, but shall not be required to, enter into a license agreement (or other similar agreement) with the City to allocate to Declarant maintenance responsibilities for Improvements located outside a Parcel and within public rights-of-way (the "*Streetscape Improvements*"). Should Declarant agree to maintain such Streetscape Improvements, the costs to maintain, repair, and/or replace the Streetscape Improvements shall be a Common Area Expense. Nothing herein shall be construed to impose a duty on Declarant to build or install Streetscape Improvements, which shall be built, installed, and paid for in accordance with the terms of each Ground Lease.

5.5. **Damage and Destruction of Open Space and Common Area**. In the event of damage to or destruction of the Open Space and Common Area for which Declarant has maintained insurance pursuant to Section 7.2, Declarant or its agent shall file and adjust all insurance claims. If Declarant elects to have the Open Space and Common Area repaired, then Declarant shall repair or reconstruct the Open Space and Common Area using proceeds of insurance and any available reserves previously established for such purposes pursuant to Section 5.7. Any insurance proceeds received by Declarant and not used for restoration and repair shall be retained by Declarant as part of such reserve. The provisions of this Section shall not modify the obligations of a Lessee under Article 7. Damage to or destruction of Open Space and Common Area caused by a Lessee shall be the sole responsibility of the Lessee, who shall bear one hundred percent (100%) of the cost to repair or replace such Open Space and Common Area.

5.6. **Condemnation of Open Space and Common Area**. In the event of condemnation or conveyance in lieu thereof of the Open Space and Common Area, Declarant or its agent shall file and adjust all condemnation claims. If Declarant elects to have the Open Space and Common Area repaired, then Declarant shall repair or reconstruct the Open Space and Common Area using proceeds of condemnation, any available reserves previously established for such purposes pursuant to Section 5.7, and the balance of any repair or reconstruction shall be paid by Declarant, constitute a Common Area Expense, and be reimbursed through Assessments. Any condemnation proceeds received by Declarant and not used for restoration and repair shall be retained by Declarant. Each Lessee hereby appoints Declarant its attorney-in-fact to act on its behalf during any condemnation proceedings affecting Open Space and Common Area.

5.7. **Open Space and Common Area Expenses**. Any and all reasonable and necessary costs and expenses incurred by Declarant for the periodic maintenance, repair, ownership, and replacement of the Open Space and Common Area, including without limitation, taxes, landscaping and utilities, drainage and retention facilities, paving, lighting (including street lights located adjacent to private or public roads or otherwise not maintained by the City and pedestrian lights), regulatory signage, striping and traffic control devices located on or adjacent to private roads, street furniture, wayfinding and other signage, plazas and boardwalks, trash pickup, holiday decorations, including installation, maintenance, removal, repair and replacement, costs of artwork or sculptures, costs to provide security or police, costs to make, maintain, repair, own and replace capital improvements, and the costs and expenses incurred by Declarant to maintain insurance under Section 7.2, are referred to as "*Common Area Expenses*." Common Area Expenses also include, without limitation, reasonable and customary operating reserves and reserves for repair and replacement of capital items; capital expenses and other one-time charges, to the extent reserves are insufficient; costs to maintain, repair, and/or replace Streetscape Improvements if paid for by the Declarant; miscellaneous expenses for checks, bank charges, bookkeeping and accounting; reasonable legal fees and similar administrative items paid to third parties and directly related to the maintenance and operation of Open Space and Common Area and the duties performed by Declarant under this Article 5; premiums for insurance obtained pursuant to Section 7.2 below; costs of programming/marketing and promotional events and activities; and a reasonable management fee (whether payable to Declarant, its designee, a property owner's association and/or to a third party designated by Declarant) for supervision and overhead in no event to exceed an amount that is the greater of (i) three percent (3%) of the Common Area Expenses (exclusive of insurance premiums and the management fee), or (ii) the management fee normally and customarily paid to third-party managers performing similar functions in first-class mixed use developments in the metropolitan Austin area that are similar to the Property. Declarant may hire third parties to perform (or contract for performance of) all or any portion of its obligations under this Master Declaration. Declarant may also hire parties affiliated with Declarant to perform such obligations, but only if the rates charged by such parties are competitive with those of non-affiliated parties furnishing similar services in the metropolitan Austin area.

5.8. **Common Area Fees**. Declarant shall have the right to charge certain fees in accordance with this Section.

(a) ***Processing Fee***. Declarant may charge a reasonable documentation and administration fee to a Transferee, which fee shall be assessed, and shall be due and payable, at the time of Transfer. The amount of a Processing Fee shall be set forth in a written policy by the Declarant from time to time and may be amended by the Declarant in its sole discretion.

(b) ***Working Capital Fee***. Declarant shall charge a Working Capital Fee to a Transferee, which fee shall be assessed, and shall be due and payable, at the time of Transfer. The Working Capital Fee shall be an amount equal to one-sixth (1/6th) of the Lessee's pro rata share of Common Area Expenses for the year in which the Transfer occurs and may be amended by the Declarant from time to time in its sole discretion.

(c) ***Use, Consumption and Activity Fees***. Declarant may also charge use, consumption and activity fees to any Person using the Open Space and Common Area, as determined by Declarant in its reasonable discretion. Different fees may be charged to different classes of users (e.g., Lessees and non-Lessees). By way of example and not limitation, Declarant may choose to install, at Declarant's expense, water retention, detention and reclamation facilities. Lessees who elect to use the facilities may be assessed use and consumption fees and/or Common Area Expenses pursuant to Section 5.7 attributable to the operation, maintenance, repair and replacement of the water reclamation facilities.

(d) ***Relationship to Common Area Expenses***. The foregoing amounts shall be in addition to, and not in lieu of, a Lessee's pro rata share of Common Area Expenses payable pursuant to Sections 5.7 and 5.10, and shall not be considered an advance payment of such assessments. The amounts collected from the foregoing fees shall be used to pay Common Area Expenses and/or added to the reserves established by Declarant for the payment of Common Area Expenses. The amounts that may be charged by Declarant pursuant to Sections 5.8(a), (b) and (c) are referred to as "*Common Area Fees*." Common Area Fees may be charged only on a going forward basis, and may not be charged retroactively.

5.9. **Community Enhancement Fee**.

(a) ***Right to Charge Fee***. Permitted Payee (defined below) may charge a Community Enhancement Fee in accordance with this Section 5.9. Community Enhancement Fees shall be deposited into a fund to be established by the Permitted Payee (the "*Community Enhancement Fund*"). The Community Enhancement Fund shall be established with a reputable financial institution for purposes of depositing, receiving, and distributing the proceeds of the Community Enhancement Fees. No other funds will be deposited or held in the Community Enhancement Fund other than the proceeds of the Community Enhancement Fee and any interest earned thereon. Each Lessee shall include a Notice of Community Enhancement Fee in any assignment of its rights under, or sublease of all or part of, its Ground Lease. Permitted Payee may Record a separate "Notice of Community Enhancement Fee" in the Official Public Records of Williamson County, Texas, upon Recordation of this Declaration.

(b) ***Purpose of Fee.*** The purpose of the Community Enhancement Fee shall be to enhance and promote the quality, character and sustainability of the Development and to directly benefit the Development and the Property.

(c) ***Use of Fund.*** The Community Enhancement Fund shall be used to organize, fund, and administer such community-building activities, services, programs, and capital Improvements and other infrastructure as the Permitted Payee deems necessary, desirable, and appropriate to serve as a means to: (i) enhance and promote the advancement of the Development and the Property; (ii) encourage, support, and fund Development or Development-related programs, activities, services, interests, or construction of Improvements or other infrastructure benefitting the Property or the Development; and (iii) fund educational, charitable, social, cultural, recreational, political, physical activities, capital Improvements or other infrastructure, services, or programs benefitting, affecting or of interest to the Development and the Property. Such activities, capital Improvements or other infrastructure, services, and programs may include, but are not limited to, the following:

A. primary and adult formal or informal education programs;

B. training and orientation programs;

C. learning centers, computer centers, activity centers and/or business scenters;

D. coordinated activities and recreational and social programs (e.g., book clubs, hikes, cooking classes, scavenger hunts, etc.);

E. environmental programs (e.g., community-wide recycling, community gardens, etc.);

F. activities designed to promote compliance with community regulations through education, communication, and grass roots support;

G. promotional and public relations activities on behalf of the Development;

H. cultural, artistic, environmental, and wellness programs;

I. a public art installation and display program;

J. developing, hosting, or maintaining internet or intranet sites for the Development;

K. community-wide audio, video, and technology;

L. charter clubs and other volunteer organizations and activities;

M. capital Improvements consisting of charitable, educational, cultural, social, recreational, environmental, political, physical fitness and/or wellness facilities or other infrastructure;

N. public trails, parks, other green spaces, and sustainability features; and

O. other services, activities, and programs which enhance the sense of community within the Development.

Nothing in this Section shall be construed as a representation by Southwestern, the Declarant, or a Permitted Payee to what, if any, activities, services, Improvements or other infrastructure, or programs shall be provided.

(d) ***Personal Obligation and Lien***. If the Transferee does not pay the Community Enhancement Fee as required in this Section 5.9, then the unpaid fee(s) shall become the personal obligation of the Transferee under the Transfer in question and shall be a lien against the Parcel for the amount of the Community Enhancement Fee and any fees or sums associated with collection of same, subject to enforcement pursuant to this Master Declaration.

(e) ***Calculation of Fee***. Permitted Payee shall charge a Community Enhancement Fee to the Transferee for each Transfer that is not an Excluded Transfer, which fee shall be assessed, and shall be due and payable, at the time of Transfer. The initial Community Enhancement Fee shall be .25% of the Transfer Price. The Permitted Payee may change the Community Enhancement Fee on a go-forward basis; any change to the Community Enhancement Fee shall be sent in writing to all Lessees and set forth in a Recorded document.

(f) ***Payment of Fee: Inspection and Audit.*** The Community Enhancement Fee shall be paid (i) to the Association; (ii) to a different entity that qualifies for an exception to the prohibition of private transfer fee obligations imposed under Subchapter G, Chapter 5 of the Texas Property Code designated in a "Notice of Community Enhancement Fee" Recorded in the Official Public Records of Williamson County, Texas; or (iii) to a successor organization designated by Declarant or Southwestern that qualifies for the 501(c)(3) or similar exception set forth in Subchapter G, Chapter 5 of the Texas Property Code (each a "*Permitted Payee*") upon the closing of a Transfer, in cash or cash equivalent. With such payment, the Transferor shall provide a written report in a form approved by the Permitted Payee, which describes the Transfer, Ground Lease and Parcel, and sets forth the Transferor's calculation of the Transfer Price for the Transfer, the names and addresses of Transferor and Transferee, and such other information as the Permitted Payee may reasonably require. The Permitted Payee shall have the right at any time during Normal Business Hours to inspect and copy all records and to audit all accounts of the Transferor which are reasonably related to the payment of the Community Enhancement Fee to verify the accuracy of the calculation of the Community Enhancement Fee.

(g) ***Excluded Transfers***. The Community Enhancement Fee shall not apply to an Excluded Transfer, except to the extent the Excluded Transfer is used for the purpose of avoiding the Community Enhancement Fee.

(h) ***Restriction on Use of Funds***. The Permitted Payee shall not distribute or pass through Community Enhancement Fees to any third party designated or identifiable in any declaration or covenant except to pay vendors or providers engaged to deliver such direct-benefit activities or improvements.

(i) ***Disbursements***. Permitted Payee may, from time to time in its sole discretion, make disbursements from the Community Enhancement Fund to achieve the objectives set forth in this Section 5.9 or to pay costs to administer the Community Enhancement Fund.

(j) ***Compliance Savings Clause***. Declarant intends that the Community Enhancement Fee shall not constitute a private transfer fee obligation prohibited by Applicable Law. If any provision of this Section would otherwise contravene Applicable Law, it shall be automatically limited and reformed to the minimum extent necessary to comply while affecting the Permitted Payee's intent.

5.10. **Lien and Allocation of Common Area Expenses**.

(a) ***Lien of Common Area Expenses***. Common Area Expenses are a continuing lien and charge against the Lessee's interest in the Parcels governed by Article 6 below.

(b) ***Determination of Assessment Units for Each Parcel***. Common Area Expenses will be assessed against each Lessee and its respective Parcel based on the number of Assessment Units allocated to each Parcel under this Master Declaration. The number of Assessment Units allocated to each Parcel will be made on a consistent basis, based on the permitted use designated for such Parcel, as follows:

| Use of Parcel | Assessment Units |
|---|---|
| Multi-family residential purposes | One (1) Assessment Unit for each multi-family unit |
| Retail (including Entertainment) | Two (2) Assessments Units for each 1,000 square feet of rentable space |
| Office | Two (2) Assessments Units for each 1,000 square feet of rentable space |
| Hotel | One (1) Assessment Unit for each hotel room |
| Townhouses and/or Casitas | One (1) Assessment Unit for each townhouse or casita |

For mixed-use Parcels, Declarant shall determine the number of Assessment Units based on the permitted use designated for each portion of the Parcel. For all other Parcels (i.e., if the permitted use is not described above), Declarant shall establish the formula in the Supplemental Declaration for such Parcel on a reasonable and equitable basis. Declarant' s designation of the Assessment Units for a Parcel shall be final, binding and conclusive. Declarant may modify the number of Assessment Units previously assigned to a Parcel if the Improvements actually constructed on the Parcel, or the permitted use of a Parcel, differ

substantially from the Improvements or use contemplated thereon at the time Declarant allocated the Assessment Units to such Parcel. Declarant may modify the number of Assessment Units for a Parcel to account for and conform to changing market conditions or to rectify an increasingly unfair allocation based on changed circumstances or use.

(c) ***Categories of Common Area Expenses***. Common Area Expenses will be assessed against each Lessee and its respective Parcel in an amount equal to such Lessee's pro rata share of the applicable category of such Common Area Expenses, calculated with respect to the number of Assessment Units allocated to such Parcel as follows:

(i) Property-Wide Expenses. A Lessee's pro rata share of those Common Area Expenses that are reasonably allocable to all Parcels then annexed into this Master Declaration (such as but not limited to maintenance expenses for parks, private roadways, private development easements, linear parks and other streetscape improvements, including medians, associated lighting and signage adjacent to private roadways and Public Roads) shall be the total of such Common Area Expenses multiplied by a ratio, where the numerator is the Assessment Units for the Lessee's Parcel and the denominator is the total Assessments Units for all Parcels then annexed into this Master Declaration for which assessments have commenced pursuant to Section 5.10(d). As the Property is developed, Declarant can, in its sole discretion, temporarily allocate Property-wide expenses to specific "neighborhoods" or geographic areas until reasonable connectivity exists between "neighborhoods" to logically allocate such Property-wide expenses to all Parcels.

(ii) Specific Area Expenses. A Lessee's pro rata share of those Common Area Expenses that are reasonably allocated to specific areas and benefitting certain (but less than all) Parcels then annexed into this Master Declaration shall be the total of such Common Area Expenses multiplied by a ratio, where the numerator is the Assessment Units of the Lessee's Parcel, and the denominator is the total Assessment Units for all such benefited Parcels for which assessments have commenced, or such other reasonable and equitable basis as determined by Declarant.

(iii) Special Assessments. In addition to the fees set forth above, special assessments ("*Special Assessments*") may be levied by Declarant at any time. Each Lessee shall pay to Declarant the amount of any Special Assessment levied against it within thirty (30) days after notice of such Special Assessment is given by Declarant. Special Assessments may be levied against the applicable Lessee for the purpose of defraying, in whole or in part:

(A) costs incurred in bringing a Lessee and such Lessee's Parcel into compliance with this Master Declaration, including reasonable attorneys' fees, interest and any other reasonable charges relating thereto;

(B) unanticipated or emergency expense affecting the Property which is not included within the Common Area Expenses;

(C) any extraordinary or disproportionate cost or expense incurred by Declarant in the maintenance or repair by Declarant of the Open Space and Common Area as a result of the use of the applicable Parcel by, or acts or omissions of, such Lessee (including, without limitation, any hazardous materials remediation or clean-up); and

(D) costs incurred by Declarant at the request of, and for the benefit of any, Lessee or Permittee.

(iv) Other Expenses. Declarant may, on such basis as Declarant reasonably determines to be equitable, allocate specific Common Area Expenses (a) to a specific Lessee(s) where such costs can be shown to be directly attributable to the acts or omissions of such Lessee(s) or their Permittees and would not otherwise have been incurred in the absence of such acts or omissions, and (b) to a specific Lessee(s) where such costs can be shown to principally benefit the Parcel(s) of such Lessee(s).

(d) ***Commencement of Common Area Expenses***. Common Area Expenses may not initially be assessed against a Lessee or its Parcel until the execution of such Lessee's Ground Lease. Declarant, in its sole discretion, may defer commencement of payment of all or part of the Common Area Expenses. A deferral for one Parcel shall not obligate Declarant to defer commencement of payment for a different Parcel.

(e) ***Inclusion in Supplemental Declaration***. The number of Assessment Units for a Parcel and/or allocations of Common Area Expenses consistent with the provisions of this Section 5.10 may, at Declarant's option, be included in Supplemental Declaration(s).

5.11. **Process for Payment**. Declarant may, at its option, not more often than monthly, reasonably estimate the amount of each Lessee's share of Common Area Expenses next due and collect and impound in advance from each Lessee the amount thereof, or collect in arrears from each Lessee the actual amount of such Lessee's share, as shown in a statement to be sent by Declarant to each Lessee. Each Lessee agrees to pay to Declarant the amount shown to be due on such statement (such statement to show the total amount of the charge and Declarant's calculation of each Lessee's share thereof) within thirty (30) days following such Lessee's receipt thereof. If estimated impounds are collected, Declarant will, within one hundred twenty (120) days following the close of each fiscal year, or as soon as practicable thereafter, provide each Lessee with a statement setting forth a reconciliation of such Lessee's impound account. If such reconciliation statement discloses that the amount collected in any Lessee's impound account is insufficient to satisfy such Lessee's payment obligation under this Article 5 for the previous year, such Lessee agrees to pay to Declarant such deficiency within thirty (30) days following such Lessee's receipt of the reconciliation statement. Any excess in a Lessee's impound account that is not necessary, in Declarant's judgment, for reasonable and customary reserves, will be returned to such Lessee or applied against next succeeding impounds hereunder, at the option of Declarant in its sole discretion.

5.12. **Records and Disputes**.

(a) Prior to the end of each fiscal year, Declarant will provide to the Lessees an annual budget for the upcoming fiscal year. From time to time over the course of a fiscal year, Declarant may reasonably update the budget, and upon request shall make the budget available to Lessees. The budget is not a cap or ceiling on the Common Area Expenses, and each Lessee shall be obligated to pay its share of actual Common Area Expenses incurred. Within ninety (90) days after the end of each fiscal year or as soon thereafter as practical, Declarant shall cause to be prepared a schedule of receipts and disbursements of Common Area Expenses and any other applicable charges, which may be reviewed by a Lessee upon request. Additionally, Declarant shall also cause, on an annual basis, the Common Area Expenses to be audited by an independent Certified Public Accountant. The cost of the audit will be a Common Area Expense. The annual schedule of receipts and disbursements, and the results of the audit, shall be included in the books and records made available by Declarant pursuant to Section 5.12(b) below.

(b) Declarant will keep accurate books and records relating to Common Area Expenses, which will be available at the office of Declarant for inspection and copying by any Lessee at its expense during Normal Business Hours. Any Lessee may, within ninety (90) days after receipt of any statement described in Section 5.11 above, dispute the amount or propriety of any item appearing thereon by written notice to

the Declarant which notice shall contain a detailed explanation of Lessee's reason for the dispute, citing specific provisions of this Master Declaration supporting its position. Declarant shall consult with the accounting firm that will be auditing the Common Area Expenses. Unless such firm agrees with the Lessee, the dispute shall be resolved in favor of Declarant. However, if such accounting firm cannot make a determination or agrees with Lessee then if such Lessee and Declarant cannot agree as to the amount and propriety of any such disputed item within thirty (30) days thereafter, the dispute will be resolved pursuant to Section 5.12(c) below. The failure of any Lessee to notify Declarant of a dispute as to any item within such 90-day period will conclusively be deemed to be the Lessee's acceptance of the amounts and items shown on the statement and the Lessee will have no further right to dispute such amounts and items. Notwithstanding that a Lessee has disputed any item or amount, such Lessee agrees to nevertheless promptly pay to Declarant when due all amounts shown to be due in any statement, subject to reimbursement of any such disputed amount if the arbitration proceeding favors such Lessee.

(c) If a dispute under Section 5.12(b) above continues unresolved for more than thirty (30) days, both parties shall negotiate in good faith. If negotiation fails to resolve the dispute within thirty (30) days after commencement of negotiation, either Declarant or the disputing Lessee has the right to notify the other of its desire to arbitrate the dispute, in which event the dispute will be settled by arbitration in the manner described in this Section 5.12(c). The arbitration will be conducted by one (1) independent arbitrator, who must have at least ten (10) years' experience in the management of commercial mixed use properties. If the parties cannot agree upon an arbitrator, then one will be appointed by the governing official of the Texas Chapter of the American Arbitration Association. The arbitration will be governed by the Rules of Commercial Arbitration of the American Arbitration Association then prevailing, subject, however, to the limitations set forth herein. Both parties to the arbitration shall submit their proposed resolution of the dispute to the arbitrator within five (5) business days from the appointment of the arbitrator, or earlier if so required by him or her. The arbitrator must make its judgment by choosing between the submitted proposals, without compromise. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator's decision must include written findings of fact and be rendered within sixty (60) days following a hearing. The arbitrator has no power to modify any provision of this Master Declaration, and his or her jurisdiction is limited accordingly. The arbitrator has the power to award interest on any disputed sum. All costs of the arbitration will be borne by the non-prevailing party, or if neither party is clearly the non-prevailing party, as apportioned by the arbitrator.

(d) Any amount previously audited by a Certified Public Accountant may not become the subject of a dispute subject to this Section 5.12.

## ARTICLE 6

### PAYMENT OF CHARGES AND ENFORCEMENT

6.1. **Covenant to Pay**. Each Lessee agrees to pay Declarant all Common Area Expenses, Common Area Fees, Community Enhancement Fees, and all other sums due and owing to Declarant under this Master Declaration, which are deemed charges for purposes hereof whether or not specifically so characterized elsewhere in this Master Declaration.

6.2. **Continuing Lien**. Each charge established by this Master Declaration, together with any interest, costs and reasonable attorneys' fees, is a charge and continuing lien upon the Lessee's leasehold interest in its Parcel against which, or against the Lessee of which, such charge is made, until paid. Each such charge, together with any interest, costs and reasonable attorneys' fees, is also the personal obligation of the Lessee of such Parcel at the time the charge is declared. Except with respect to the Community Enhancement Fee, said personal obligation for charges does not pass to a Lessee's successors in interest unless expressly

assumed by them, but the Lessee of the Parcel at the time the charge is declared continues to remain personally liable to Declarant for such charge.

6.3. **Delinquent Charge**. A Lessee will be in default under this Master Declaration if it fails to pay a charge due from such Lessee within the time period provided for such payment, and such failure continues for ten (10) days after written notice thereof from Declarant. Upon such default, Declarant is authorized and empowered to collect such delinquent charge, together with interest at the rate of eighteen percent (18%) per annum (not to exceed the rate permitted by Applicable Law) from the date such charge is due and payable, until it is fully paid, together with all Recording costs and expenses and reasonable attorneys' fees. In this regard, in addition to any and all other remedies permitted at law or in equity, Declarant has the right to enforce payment of the delinquent charge or other amount due against the Lessee and/or its Parcel by taking either or both of the following actions, concurrently or separately (and by exercising either of the remedies set forth below, Declarant does not prejudice or waive its right to exercise the other remedy or such other additional rights or remedies as may be available under applicable law):

(a) Bring an action at law against the Lessee personally obligated to pay the charge or other sum of money; and/or

(b) Foreclose the lien against such Lessee's leasehold interest under the Ground Lease for its Parcel(s) under then prevailing Texas law relating to the foreclosure of realty mortgages (including the right to recover any deficiency).

6.4. **Liability for Charges**. No Lessee may waive or otherwise escape liability for the charges provided for herein by nonuse or abandonment of its Parcel or its interest therein, or nonuse of the Open Space and Common Area. The lien for charges provided for in this Article 6 is subject and subordinate to the following liens affecting the Lessee's interest in its Parcel: (i) liens for taxes and other public charges which by Applicable Law are expressly made superior, (ii) all liens recorded in the Official Records of Williamson County, Texas, prior to the date of Recordation of the notice of lien described in Section 6.5 below, and (iii) all bona fide subleases of such Parcel with third parties entered into, whether or not Recorded, prior to the date of Recordation of said notice of lien. The sale or transfer of the Lessee's interest in its Parcel does not affect the lien for charges provided in this Article 6, except that the sale or transfer of the Lessee's interest in any Parcel pursuant to foreclosure of a mortgage or deed of trust superior in priority to Recordation of a notice of lien under Section 6.5 below (including the exercise of the power of sale by a trustee under a deed of trust) extinguishes said lien for charges arising prior (but not subsequent) thereto, but does not extinguish the personal liability of the Lessee of the Parcel at the time the charge to which such notice of lien relates is declared.

6.5. **Recordation**. If any charge or any portion of a charge becomes delinquent, Declarant is entitled to Record evidence of the lien against the Lessee's or interest in the Parcel to which such charge relates for the unpaid amount of such charge and the costs and expenses described above. The notice of lien will be Recorded, will be signed and acknowledged by Declarant, and may contain the following:

(a) a statement of the unpaid amount of the charge;

(b) a description sufficient for identification of the Parcel and associated Ground Lease (and the Lessee's interest therein) (if applicable) to which such charge relates; and

(c) the name of the Lessee, or reputed Lessee, of the subject Parcel.

Such notice of lien is additional evidence of the lien against the interest in real property described in such notice, in the amount specified therein. Upon the curing of any default for which a notice of lien was

Recorded by Declarant, Declarant will Record an appropriate release of such notice upon payment by the defaulting Lessee of a reasonable fee determined by Declarant to cover the costs of preparing and Recording such release together with the payment of such other costs, including, without limitation, legal fees and court costs, interest or charges, as Declarant has incurred.

6.6. **Remedies for other Breaches**. If a Lessee or its Permittees breaches or threatens to breach this Master Declaration (other than a breach described in Section 6.1 above), Declarant is entitled to any or all remedies available at law or in equity including, without limitation, the right to collect damages, the right to enjoin such breach or threatened breach in any court of competent jurisdiction, and the right of specific performance. Additionally, if a defaulting Lessee fails to cure a breach of this Master Declaration by such Lessee or its Permittees within thirty (30) days following written notice of such default given by Declarant (unless, with respect to any such breach the nature of which cannot reasonably be cured within such 30-day period, the Lessee commences such cure within such 30-day period and thereafter diligently prosecutes such cure to completion), Declarant has the right to perform such obligation contained in this Master Declaration on behalf of such defaulting Lessee and be reimbursed by such defaulting Lessee upon demand for the reasonable costs thereof (including, without limitation, attorneys' fees and court costs) together with interest at the rate of eighteen percent (18%) per annum, not to exceed the maximum rate of interest allowed by law, from the date such costs are incurred until paid. Any claim for reimbursement, including interest, and all costs and expenses including reasonable attorneys' fees awarded to Declarant, as applicable, in enforcing any payment in any suit or proceeding under this Section 6.6 may be assessed against the defaulting Lessee and constitute a lien in favor of Declarant pursuant to the foregoing provisions of this Article 6. Declarant shall use commercially reasonable efforts to enforce compliance with this Master Declaration by a Lessee and its Permittees to the extent such noncompliance would materially and adversely affect the use and enjoyment by any other Lessee and its Permittees of its applicable leased or owned Parcel. The foregoing shall not restrict or limit the right of Declarant or the DRC to grant variances and waivers to the requirements of this Master Declaration and/or the Design Standards.

## ARTICLE 7

### INSURANCE AND INDEMNITY

7.1. **Insurance Maintained by Lessees**. Each Lessee shall maintain insurance as required by the terms of its Ground Lease.

7.2. **Insurance Maintained by Declarant**. Declarant shall procure and maintain property insurance coverage (to the extent reasonably insurable) for the Open Space and Common Area being maintained by Declarant under Section 5.4 above, in such forms and with such endorsements, additional coverages, and deductibles as Declarant determines, in its sole discretion, based on insurance coverages carried by reasonable and prudent owners of like property in metropolitan Austin, Texas. The proceeds of the property insurance maintained by Declarant payable in the event of a loss will be payable to Declarant, and in the event of damage and destruction will be applied in accordance with Section 5.5 above. Declarant shall also procure and maintain commercial general liability insurance insuring against claims for bodily injury, personal injury, death or property damage, occurring on or about the Open Space and Common Area, with such limits, coverages and deductibles as Declarant, in its sole discretion, determines based on insurance coverage carried by reasonable and prudent owners of like property in metropolitan Austin, Texas. Such policy of commercial general liability insurance will name Declarant as the insured, and each Lessee as an additional insured, but will be considered secondary to and excess coverage in respect of any insurance to be maintained by a Lessee under its Ground Lease. Declarant will, upon request from any Lessee, furnish to the requesting party evidence of the insurance maintained by Declarant. Declarant shall also maintain and procure such other insurance coverages, in such forms and with such endorsements and deductibles, as Declarant may require, which may include workers' compensation insurance, business automobile

insurance, commercial crime or "fidelity" insurance, and/or director and officer insurance. The costs and expenses incurred by Declarant in connection with the insurance described herein will be assessed against the Lessees and their respective Parcels as a part of Common Area Expenses under Article 6 above. In the event of an insured loss, the deductible shall be treated as a Common Area Expense in the same manner as the premiums for the insurance coverage.

7.3. **Attorney-in-Fact**. Each Lessee hereby appoints Declarant its attorney-in-fact to act on its behalf during any casualty events and/or insurance proceedings affecting Open Space and Common Area.

7.4. **Indemnification by Lessees**. **TO THE EXTENT ALLOWED BY APPLICABLE LAW, EACH LESSEE HAVING RIGHTS TO EXERCISE AN EASEMENT GRANTED IN THIS MASTER DECLARATION AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS SOUTHWESTERN, THE BOARD AND DECLARANT INCLUDING, WITHOUT LIMITATION, THEIR RESPECTIVE AGENTS, EMPLOYEES, DIRECTORS, BOARD MEMBERS, OFFICERS, PARTNERS, MEMBERS, MANAGERS AND CONTRACTORS, OF, FOR, FROM AND AGAINST ANY AND ALL CLAIMS AND ALL LOSSES, DAMAGES, DEMANDS, COSTS, EXPENSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) INCURRED IN CONNECTION WITH ALL CLAIMS, INCLUDING ANY ACTION OR PROCEEDING BROUGHT THEREON, ARISING FROM OR AS A RESULT OF ANY ACCIDENT, INJURY, DEATH, LOSS OR DAMAGE WHATSOEVER TO ANY PERSON, OR TO THE PROPERTY OF ANY PERSON, PROXIMATELY CAUSED BY THE ACTS OR OMISSIONS OF SUCH LESSEE OR THEIR PERMITTEES IN THE USE OF ANY SUCH EASEMENT GRANTED HEREUNDER, EXCEPT TO THE EXTENT OF THE NEGLIGENCE OR INTENTIONAL MISCONDUCT IN WHOLE OR IN PART OF THE INDEMNIFIED PARTY OR ITS PERMITTEES.**

7.5. **Non-Liability of Declarant**. DECLARANT AND ITS AGENTS, EMPLOYEES, DIRECTORS, MEMBERS OF THE BOARD, OFFICERS, PARTNERS, MEMBERS, MANAGERS OR CONTRACTORS ARE NOT LIABLE TO ANY LESSEE OR SUCH LESSEE'S PERMITTEES FOR ANY MISTAKE OR ERROR IN JUDGMENT OR FOR ANY OTHER ACT OR OMISSION UNDER THIS MASTER DECLARATION IF IT IS NOT FRAUDULENT, GROSSLY NEGLIGENT OR IN BAD FAITH, AND EACH LESSEE **EXPRESSLY WAIVES AND RELINQUISHES** ANY AND ALL CLAIMS AGAINST DECLARANT AND ITS AGENTS, EMPLOYEES, DIRECTORS, MEMBERS OF THE BOARD, OFFICERS, PARTNERS, MEMBERS, MANAGERS AND CONTRACTORS, ON ACCOUNT THEREOF.

7.6. **Waiver of Subrogation**. TO THE EXTENT ALLOWED BY APPLICABLE LAW, EACH LESSEE **HEREBY WAIVES**, AND SHALL CAUSE ITS INSURERS TO WAIVE, ANY CLAIMS, CAUSES OF ACTION OR OTHER RIGHTS OF ANY NATURE THAT SUCH LESSEE MAY HAVE AGAINST SOUTHWESTERN, THE BOARD OR DECLARANT ARISING OUT OF PROPERTY DAMAGE TO SUCH LESSEE'S PARCEL, INCLUDING ANY IMPROVEMENTS THEREON, OR ANY OTHER PROPERTY OWNED OR LEASED BY SOUTHWESTERN, THE BOARD, OR DECLARANT, TO THE EXTENT THAT THE LESSEE ACTUALLY CARRIES OR IS REQUIRED BY ITS GROUND LEASE TO CARRY INSURANCE ON THE DAMAGED REAL OR PERSONAL PROPERTY. WITHOUT LIMITATION ON THE GENERALITY OF THE FOREGOING, THE FOREGOING IS INTENDED, AMONG OTHER MATTERS, TO ACT AS A WAIVER BY EACH PROPERTY INSURER OF A LESSEE PROVIDING LIABILITY OR PROPERTY INSURANCE OF SUCH INSURER'S SUBROGATION RIGHTS AGAINST SUCH PARTIES. THE WAIVER SHALL APPLY TO ANY SELF-INSURANCE MAINTAINED IN ACCORDANCE WITH THIS MASTER DECLARATION AS IF THIRD PARTY INSURANCE HAD BEEN MAINTAINED. THERE IS NO PARALLEL OR RECIPROCAL WAIVER BY SOUTHWESTERN, THE BOARD, OR DECLARANT, OR ANY OF THEIR RESPECTIVE INSURANCE PROVIDERS.

## ARTICLE 8

### ANNEXATION AND WITHDRAWAL OF PROPERTY; OTHER RIGHTS OF DECLARANT

8.1. **Annexation and Expansion**. From time to time, Declarant may submit to the terms of this Master Declaration all or any portion of the Future Phases by Recording a Supplemental Declaration describing the additional real property to be submitted and specifically subjecting it to the terms of this Master Declaration. Declarant may Record a Supplemental Declaration without the consent of any Person except the Owner of such real property, if not Declarant. Nothing in this Master Declaration shall require Declarant or any successor to submit additional real property to this Master Declaration or to develop, or cause to be developed, any of the Future Phases in any manner whatsoever. The Supplemental Declaration shall designate whether the real property annexed thereby is Open Space and Common Area and/or is a Parcel or Parcels, and may, at Declarant's option, assign Assessment Units to the additional Parcel(s). If the real property is a Parcel, the Supplemental Declaration shall also designate whether any portion of a Parcel is Open Space and Common Area. Real property that makes up a Future Phase that is solely Open Space and Common Area (i.e., no portion of the Future Phase is a Parcel) shall not be subjected to this Master Declaration until completion of the initial Improvements on the Open Space and Common Area. Real property that makes up a Future Phase and is a Parcel shall be subjected to this Master Declaration when the Ground Lease for such Parcel is executed (or, as applicable, prior to the conveyance of fee interest of the real property that is a Future Phase).

8.2. **Withdrawal of Property**. Declarant may amend this Master Declaration at any time and from time to time to remove any portion of the Property, including without limitation real property added pursuant to Section 8.1 and/or a Future Phase, from the coverage of this Master Declaration and any Supplemental Declaration. Such amendment (unless otherwise specifically provided herein or in any Supplemental Declaration) shall not require the consent of any Person other than the Declarant and the Lessee(s) of the Property to be withdrawn.

8.3. **Development**. It is contemplated that the Property will be developed pursuant to a plan, which may, from time to time, be amended or modified by the Declarant in its sole and absolute discretion. Declarant reserves the right, but will not be obligated, to add property to the Development, to create and/or designate Lots, Condominium Units, Open Space and Common Area, and to subdivide all or any portion of the Property. As each area is conveyed, developed, or dedicated, Declarant may Record one or more Supplemental Declarations and designate the use, classification and such additional covenants, conditions and restrictions as Declarant may deem appropriate for that area. Any Supplemental Declaration may provide its own procedure for the amendment thereof.

8.4. **Notice of Plat Recordation**. Declarant may, at any time and from time to time, Record a notice of plat recordation (a "*Notice of Plat Recordation*"). A Notice of Plat Recordation is Recorded for the purpose of more clearly identifying specific Lots subject to the terms and provisions of this Master Declaration after portions of the Property are made subject to a Plat. Unless otherwise provided in the Notice of Plat Recordation, portions of the Property dedicated as public parkland or Public Roads to the City identified in the Notice of Plat Recordation, shall be automatically withdrawn from the terms and provisions of this Master Declaration (without the necessity of complying with the withdrawal provisions set forth in this Section). Declarant shall have no obligation to Record a Notice of Plat Recordation and failure to Record a Notice of Plat Recordation shall in no event remove any portion of the Property from the terms and provisions of this Master Declaration.

8.5. **Modification of TIRZ, Planned Unit Development, and Plat**. Declarant reserves the right, at any time and from time to time, to modify the terms of the TIRZ, the Planned Unit Development, and any plat related to the Property in its sole discretion. No Lessee shall have the right to participate in any

modifications or amendments of the TIRZ. No Lessee shall have the right to participate in any modifications or amendments of the Planned Unit Development and/or any plat related to the Property without the prior, written approval of Declarant. Any approval granted under this Section 8.5 must be on Declarant's letterhead, executed by a person authorized to legally bind the Declarant, and delivered in accordance with the notice provision in Section 9.5. All Lessees shall refrain from interfering with Declarant's rights under this Section 8.5.

8.6. **Discretion of Declarant**. All rights of Declarant set forth in this Master Declaration may be exercised by Declarant in its sole and absolute discretion, and **no exercise by Declarant of any such right may be challenged or set aside as being arbitrary, capricious, unreasonable or in bad faith**.

8.7. **Waivers by Declarant**. Declarant may grant in Supplemental Declarations such waivers of the provisions of this Master Declaration with respect to an individual Parcel or the Lessee thereof as Declarant deems appropriate, so long as any such waiver (i) does not result in an unsafe or unsanitary condition, (ii) does not result, in Declarant's sole discretion, in a substantial departure from the common plan of development contemplated by this Master Declaration, and (iii) has no material and adverse effect on the easement rights or Use Restrictions in favor of any Lessee or its Parcel otherwise contained herein.

8.8. **Exclusive Rights to Use Name of SU 560 Development**. No Lessee or any Permittee of a Lessee shall use the name "SU 560 Development," or any of the Protected Intellectual Property or any depiction of the Property, except in accordance with the Brand Standards, or as otherwise approved in writing from time to time by Declarant. Unless the Brand Standards provide otherwise, a Lessee must make application to Declarant for any use within the scope of this Section, which application must be accompanied by a reasonably detailed explanation and drawing, where applicable, of Lessee's proposed use, and such other information as Declarant may reasonably request. Declarant may adopt other processes from time to time with respect to the submittal and approval by Declarant of such applications.

8.9. **Right to Transfer or Assign Declarant's Rights**. Any or all of Declarant's rights and obligations set forth in this Master Declaration may be transferred in whole or in part to other Persons. However, such a transfer shall not reduce an obligation or enlarge a right beyond that which Declarant has under this Master Declaration. No such transfer or assignment shall be effective unless it is in a Recorded instrument signed by the assigning Declarant and the assuming Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Master Declaration where Declarant does not intend to transfer such right in its entirety. In such case, it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

8.10. **Amendment and Termination of Rights**. This Article, and all provisions of this Master Declaration granting rights to Declarant, may be amended only upon Recordation of an amendment to this Master Declaration executed by Declarant. The rights contained in this Article will terminate only upon Recording of a written statement executed by Declarant, terminating such rights.

## ARTICLE 9

### TERMINATION, AMENDMENT, NOTICES; AND LIMITATION OF LIABILITY

9.1. **Term and Termination**. This Master Declaration shall be effective for a minimum of 99 years from the date it is Recorded. After 99 years, this Master Declaration shall be extended automatically for successive 10-year periods unless at least the then Owners of at least seventy- five percent (75%) of the total acreage subject to this Master Declaration sign a document stating that this Master Declaration is terminated and such document is Recorded at least one (1) year before any extension. In such case, this

Master Declaration shall terminate on the date specified in the termination document. It is the intention of Declarant that any interest in real or personal property created under this Master Declaration that violates the rule against perpetuities be minimally reformed to cure the violation, rather than terminated. This Section shall not permit termination of any easement created in this Master Declaration without the consent of the holder of such easement.

9.2. **Amendment**.

(a) ***Required Parties***. This Master Declaration may be amended unilaterally by the Declarant and in all cases only with the consent of the Declarant; provided, however, that if such amendment is reasonably likely to materially and adversely affect the permitted use and enjoyment of a Parcel in accordance with the terms of the applicable Ground Lease, or increase in any material and discriminatory way the economic obligations imposed on a Parcel, then such amendment shall also require the written consent of the Lessee of such Parcel, the Owner of such Parcel (if not Declarant), and the Mortgagee of such Parcel, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) ***Validity and Effective Date***. Any amendment shall become effective upon Recordation of an instrument executed by the applicable consenting parties described above. Any procedural challenge to an amendment must be made within six (6) months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Master Declaration.

9.3. **Estoppel Certificates**. Upon written request of a Lessee, Declarant will furnish to the requesting Lessee, within thirty (30) days following such request (made no frequently than two (2) times in any twelve (12) month period), an estoppel certificate stating (a) the amount of any charges against such Lessee under this Master Declaration then due and unpaid hereunder, (b) whether to Declarant's Actual Knowledge there exists any default by requesting Lessee under this Master Declaration, and if there are known defaults, specifying the nature thereof, and (c) whether this Master Declaration is in full force and effect. Declarant may charge a reasonable fee for the issuance of such certificates, which fee may include all third-party costs associated with preparation and delivery of the certificate.

9.4. **Exhibits**. The exhibits attached hereto are incorporated into this Master Declaration by this reference.

9.5. **Notice**. In the event that Southwestern, the Board, or the Declarant, or their respective officers, directors, and committee members, are required to provide notice to a Lessee or other party pursuant to this Master Declaration, notice shall be deemed to have been given on the earlier of: (i) the date on which the recipient actually receives the notice; or (ii) the date on which the U.S. Postal Service, overnight courier or other entity attempts to deliver such notice to the recipient at the address at the Property or at such other address as the recipient has provided to Southwestern, the Board or the Declarant in writing. Approvals required of the Declarant and/or the DRC must be given in writing on Declarant's letterhead and signed by a party authorized to legally bind the Declarant.

9.6. **Attorneys' Fees**. If Declarant institutes a legal action or proceeding for the enforcement of any right or obligation contained in this Master Declaration, the prevailing party in such action or proceeding is entitled to recover its costs and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding.

9.7. **Consents**. Wherever in this Master Declaration the consent or approval of a Lessee is required, unless otherwise expressly provided herein, such consent or approval may not be unreasonably withheld, conditioned, or delayed.

9.8. **Limitation of Liability**. In no event will any member of the Board, officer, director, partner, employee, or agent of Declarant or Southwestern (a "*Benefited Party*") be liable to any Person as a result of any act performed by a Benefited Party pursuant to the terms or provisions of this Master Declaration or any Supplemental Declaration.

9.9. **No Waiver**. No waiver of any default of any obligation by a Lessee may be implied from any omission by Declarant to take any action with respect to such default. Notwithstanding the foregoing to the contrary, Declarant may elect to waive the enforcement of any provision contained in this Master Declaration, in its sole discretion.

9.10. **No Agency**. Nothing in this Master Declaration creates the relationship of principal and agent or of limited or general partners or of joint venturers or of any other association among Declarant and its successor(s) or assign(s), on the one hand, and the Owners or Lessees or any of them, on the other hand.

9.11. **Covenants to Run with Land**. All of the easements, covenants, conditions, restrictions, reservations, servitudes, charges, liens, charges and development standards set forth herein run with the land and create equitable servitudes in favor of the entire Property, bind every person having any fee, leasehold or other interest therein and inure to the benefit of Declarant, its heirs, personal representatives, successors and assigns. All agreements set forth herein are deemed covenants regardless of whether expressly so designated.

9.12. **Lessee's Acceptance**. The Lessee of any Parcel or any portion thereof, by acceptance of a Ground Lease, whether from Southwestern, the Board, the Declarant, or from a subsequent Lessee of such Parcel, accepts such Ground Lease upon and subject to each and all of the easements, covenants, conditions, restrictions, reservations, servitudes, charges, liens, charges and development standards contained herein. By such acceptance, any such Lessee for itself and its successors, assigns, heirs, and personal representatives, is deemed to covenant, consent, and agree to and with Declarant to keep, observe, comply with, and perform the obligations and agreements set forth in this Master Declaration with respect to the Parcel leased by such Lessee. Except as set forth in the Ground Lease, no (a) assignment of and/or (b) sublease of all or substantially all of Lessee's interest in a Ground Lease shall be permitted without Declarant's prior written consent.

9.13. **No Rights in Public**. Nothing contained in this Master Declaration creates any rights in the general public or dedicates for public use all or any portion of the Property.

9.14. **Severability**. Each provision of this Master Declaration is declared to be independent of and severable from the remainder of this Master Declaration. If any provision contained herein is held to be invalid or to be unenforceable or not to run with the land, such holding does not affect the validity or enforceability of the remainder of this Master Declaration.

9.15. **Time of Essence/Force Majeure Delay**. Time is of the essence of this Master Declaration. However, no Person is liable for any failure or delay in performance under this Master Declaration (other than for failure or delay in the payment of money due and payable) to the extent such failure or delay is proximately caused by an event that (i) is not reasonably foreseeable, (ii) is beyond the reasonable control of the Person, and (iii) occurs without the fault or negligence of the Person (a "*Force Majeure Delay*"). Upon the occurrence of a Force Majeure Delay, the party asserting the delay shall notify the other party(ies) in writing, and the time for performance will be extended for a period equal to the duration of the Force Majeure Delay.

9.16. **Entire Agreement**. This Master Declaration (including all Exhibits attached hereto, which are incorporated herein by this reference) contains the complete declaration, understanding and agreement with respect to all matters referred to herein.

9.17. **Captions**. The underlined captions preceding the various paragraphs and subparagraphs herein and the headings of the Articles, are for convenience of reference only, and may not be used as an aid to the construction or interpretation of any provision of this Master Declaration. Whenever applicable, the singular form includes the plural, and the masculine gender includes the feminine and neuter, and vice versa.

9.18. **Declarant's Disclaimer**. Declarant makes no warranty or representation whatsoever that the plans envisioned for the Property at the date of Recordation of this Master Declaration can, or will be, carried out, or that the Property is, or will be, committed to, or developed for, a particular (or any) use, or that if the Property or any portion thereof is once used for a particular use, such use will continue in effect. Declarant makes no representation or warranty that the use of the Property or any portion thereof will not be changed in the future. Declarant makes no warranty or representation that any Future Phase shall be added to the Property.

9.19. **Governing Law**. The law of the State of Texas governs the interpretation, validity, performance, and enforcement of this Master Declaration.

## ARTICLE 10

### MORTGAGEE RIGHTS

10.1. **Mortgagee Rights**. No amendment, breach or violation of this Master Declaration or these covenants, conditions and restrictions shall defeat or render invalid the lien of any mortgage, deed of trust or similar instrument securing a mortgage loan made in good faith and for value with respect to the development or permanent financing or refinancing of any leasehold estate in any Parcel or portion thereof or any Improvement thereon (each a "**Mortgage**"); *provided* that, all of these covenants, conditions and restrictions shall be binding upon and effective against any subsequent owner of the leasehold estate in the Parcel or any portion thereof.

10.2. **Mortgagee Notice and Cure**. Any mortgagee or beneficiary under a Mortgage that gives notice of its Mortgage to Declarant in writing in accordance with Section 9.5 herein (each a "**Mortgagee**") shall, upon filing a written request with Declarant, be entitled to receive written notification from Declarant of (1) any condemnation or casualty loss of which Declarant is aware and that affects either a material portion of the Property or the Parcels subject to the estate securing the respective Mortgage, or (2) any default or breach in the performance of the obligations imposed by this Master Declaration by the Lessee whose estate in the Parcel is encumbered by such Mortgagee's Mortgage, which default has not been cured within thirty (30) days of a request therefor by Declarant, and thereafter, Mortgagee shall have the opportunity to cure such default or delinquency until: (a) ten (10) days after the expiration of any cure period given to the defaulting Lessee with respect to monetary defaults; and (b) thirty (30) days after the expiration of any cure period given to the defaulting Lessee with respect to non-monetary defaults; provided, however, with respect to any default that a Mortgagee cannot cure under the terms of its loan document without obtaining possession of the Lessee's Parcel, and provided further that the Mortgagee has promptly commenced and diligently pursues to completion proceedings to acquire such Lessee's interest in its Parcel, such Mortgagee's cure period shall be extended by the amount of time reasonably necessary for such Mortgagee to acquire possession up to an additional one hundred twenty (120) days. To the extent an obligation of Declarant has not been performed within thirty (30) days after written notice of such failure, Mortgagees may, on behalf of the mortgagor, pay taxes or other charges which are in default and which may or have become a charge against any Parcel and may pay any overdue premiums on hazard insurance policies, or

secure new hazard insurance coverage on the lapse of a policy. Subject to the other terms of this Master Declaration, in the event of damage, destruction or condemnation on all or any portion of a Lessee's Parcel, including, but not limited to any Open Space and Common Area on such Parcel, the insurance maintained by such Lessee shall be applied in accordance with the applicable terms of the Ground Lease. To the extent Lessee(s) consent is required pursuant to Section 9.2 of this Master Declaration, this Master Declaration may only be amended and/or terminated with the additional written consent of such Lessee's Mortgagee, which consent shall not be unreasonably withheld, conditioned or delayed.

## ARTICLE 11

## ADDITIONAL PROVISIONS

11.1. **Nonliability of Officials and Employees**. No current or former member of the Board, officer, official, director, member, owner, employee, agent or representative of Southwestern, the Board or the Declarant shall be personally liable to any Owner or Lessee or any successor in interest to any Owner or Lessee for any amount which may become due to any Owner or Lessee or any successor in interest to any Owner or Lessee, on any obligation incurred under the terms of this Master Declaration.

11.2. **Designee's Records**. To the extent required by Applicable Law, any Person designated by the Declarant to fulfill all or part of the duties hereunder shall (i) retain all records relating to this Master Declaration for a period of five (5) years following the expiration or termination of this Master Declaration, (ii) make those records available at all reasonable times for inspection and audit by Southwestern during the term of this Master Declaration and for a period of five (5) years after the expiration or earlier termination of this Master Declaration (or such longer period as may be required by statute). The records shall be provided at the Georgetown campus or another location designated by Southwestern, upon reasonable notice to Declarant and/or its designee.

11.3. **Nondiscrimination**. To the extent applicable, each Lessee will comply with all applicable state and federal laws, rules, regulations, and executive orders governing equal employment opportunity, immigration, and nondiscrimination, including the Americans with Disabilities Act.

[Signature appears on following page]

IN WITNESS WHEREOF, Declarant has executed this Master Declaration of Covenants, Conditions and Restrictions for SU 560 Development as of the date first written above.

**DECLARANT:**

**SU 560 LAND HOLDINGS I, LLC,**
a Texas limited liability company

By:_____

Printed Name: _____

Title: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me the _____ day of _____, 2026, by _____, _____ of SU 560 LAND HOLDINGS I, LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
(seal) Notary Public, State of Texas

# AGREEMENT REGARDING GOVERNANCE
# SU 560 MASTER DEVELOPMENT

This Agreement Regarding Governance ("**Agreement**") is made by and between SU 560 Land Holdings I, LLC, a Texas limited liability company, its successors or assigns ("**Declarant**"), and the City of Georgetown, Texas, a Texas home-rule municipal corporation ("**City**"), and is as follows:

## RECITALS

**A.** Pursuant to that certain Special Warranty Deed recorded as Document No. _____ in the Official Public Records of Williamson County, Texas, dated effective _____, 2026 ("**Deed**"), Declarant conveyed to City approximately 1.830 acres of land located in Williamson County, Texas, as more particularly described in the Deed ("**Land**").

**B.** Pursuant to that certain Parking Easement Agreement by and between Declarant and City, recorded as Document No. _____ in the Official Public Records of Williamson County, Texas, dated effective _____, 2026 ("**Parking Agreement**"), Declarant conveyed to City a non-exclusive easement on, over, across, under, and upon that certain 4.665-acre tract of land more particularly described in Exhibit A of the Parking Agreement (the "**Easement Parcel**"). The Land and the Easement Parcel are referred to herein collectively as the "**Property**".

**C.** The Property is subject to that certain Declaration of Covenants, Conditions and Restrictions for SU 560 Master Development, recorded as Document No. _____ in the Official Public Records of Williamson County, Texas, dated effective _____, 2026 ("**Declaration**").

**D.** Declarant and City have concurrently entered into that certain Development and Operations Agreement of even date herewith ("**Development Agreement**").

**E.** Declarant and City desire to agree on certain matters associated with the development and governance of the Property, which matters shall act as a variance to the covenants, conditions, and restrictions in the Declaration, as more fully set forth below.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements contained herein, Declarant and City agree as follows:

1. **Defined Terms**. All defined terms delineated with initial capital letters in this Agreement that are not defined herein shall have the meaning ascribed to them in the Declaration or the Development Agreement, as applicable. Other terms have the meanings commonly ascribed to them or as defined in this Agreement.

2. **Variance**. This Agreement shall act as a variance to the covenants, conditions, and restrictions set forth in the Declaration. Where a provision in the Declaration conflicts with a provision in this Agreement, the provision in this Agreement controls. Declarant agrees that this Agreement shall be binding upon its successors and assigns, including, without limitation, the DRC and, if formed, the Association.

3. **Open Space and Common Area Designation**. Pursuant to *Section 3.1* of the Declaration, Declarant may designate Open Space and Common Area in a Recorded instrument. Notwithstanding any provision of the Declaration to the contrary, Declarant shall not, without the advance written consent of City, which consent may be withheld in City's sole and absolute discretion, designate Open Space and Common Area within all or any portion of the Property.

4. **Antennas**. Notwithstanding anything in *Section 2.7* of the Declaration to the contrary, the City may erect an antenna(s) on the Land as show on the plans approved pursuant to Section 5 herein and for an any additional antennas so long as (a) the City submits its plans for the location and design of each antenna at least thirty (30) days prior to installation to the DRC for review and approval and (b) installation, location, operation, and maintenance of the antenna(s) do not unreasonably interfere with use and enjoyment of the Development and comply with Applicable Law.

5. **Initial Plan Approval**. Notwithstanding anything in the Declaration to the contrary, the DRC and, if formed, the Association shall have no right to review, disapprove, condition, or approve City plans for design and/or construction of COG Building Improvements on the Land or Parking Improvements on the Easement Parcel (collectively, the "**Initial Plans**"). All Initial Plans shall be approved in accordance with *Section 1.3* of the Development Agreement, and an approval of Initial Plans for design and/or construction under the Development Agreement by the Declarant shall be deemed approved under the Declaration with no further action required by either party.

6. **New Plan Approval**. Notwithstanding anything in the Declaration to the contrary, the DRC and, if formed, the Association shall have no right to review, disapprove, condition, or approve City plans to design, construct or modify new or existing improvements, including without limitation parking, landscaping, screening, signage, fencing, and other design requirements for improvements on the Land or the Easement Parcel (collectively, the "**New Plans**"). Instead, the New Plans shall be submitted in accordance with *Section 3.15* of the Development Agreement, and an approval of New Plans for design, construction, and/or modification under the Development Agreement by the Declarant shall be deemed approved under the Declaration with no further action required by either party.

7. **Governing Design Standards**. The City, without regard to the date on which the City plans are submitted, shall be subject to the Design Standards in effect as of the date of this Agreement.

8. **Assessments**. Notwithstanding anything in the Declaration to the contrary, the City's Assessment Unit for the Land shall be 0.5. Once the building is constructed on the Land in accordance with the approved Initial Plans, the City's Assessment Unit for the Parcel shall be as set forth in the Declaration for office use. Once the Condominium is created, the Ground Floor Retail Premises shall have the Assessment Unit set forth in the Declaration for retail use, and the remainder of the City's Parcel shall have the Assessment Unit set forth in the Declaration for office use. Declarant shall bear the burden of the budgeted costs to maintain the Common Area within the development for those portions of the development not yet sold or leased to a third party until Declarant conveys a portion of the Development, via conveyance in fee or via lease, to a third

party. As each third party is brought into the development, each party that owns or rents within the development shall pay its share of its budgeted costs of Common Area Expenses in accordance with its Assessment Unit. Declarant shall pay the balance of the budgeted costs of the Common Area Expenses until the earlier of the date that Declarant sells all portions of the development or the date that Declarant leases all portions of the development.

9. **Liens**. Notwithstanding anything in the Declaration to the contrary, because the City is a political subdivision to which Chapter 43 of the Texas Property Code applies, Declarant shall not lien the Land as a remedy for City's failure to pay Assessments, provided such agreement shall not affect any other remedy set forth in the Documents (as defined below).

10. **Community Enhancement Fee**. The City's transfer of the Ground Floor Retail Premises of the COG Building Improvements within the Land to the Georgetown Economic Development Corporation shall not be subject to a Community Enhancement Fee.

11. **Condominium Regime**. Notwithstanding anything in the Declaration to the contrary, the City shall have the right to create a condominium regime that creates a condominium unit for the Ground Floor Retail Premises and a separate condominium unit consisting of the remainder of the COG Building in the COG Building Improvements on the Land without any further approval by Declarant of design plans so long as those plans have been pre-approved by Declarant in accordance with the Development Agreement. Notwithstanding the foregoing, City acknowledges and agrees that Declarant shall have the right to review and request reasonable changes to the condominium governance documents, including without limitation a condominium declaration, bylaws of the condominium association, and other condominium governance documents, and the City shall not unreasonably withhold, condition, or delay its cooperation with Declarant relative to such requested changes. City acknowledges and agrees that City must obtain approval from Declarant of the final form of condominium governance documents in writing prior to formation of a condominium association and recordation of a condominium declaration. Declarant agrees not to unreasonably withhold, condition, or delay its approval of the condominium governance documents and to provide comments and/or approval in writing to City within fifteen (15) business days of receipt of a condominium governance document.

12. **Fleet Vehicle Storage**. Notwithstanding anything in the Declaration to the contrary, the City may store its fleet vehicles, trucks, and equipment on the secured portion of the COG Parking Area so long as such storage is screened from view in accordance with the City's Initial Plans as approved in accordance with Section 5 above.

13. **Weapons**. Notwithstanding anything in the Declaration to the contrary, City police officers and other security personnel may carry weapons on the Land so long as (i) carrying such weapons are part of the normal requirements for such personnel and (ii) the use and handling of any weapon is done in compliance with Applicable Law.

14. **Flags and Flagpoles**. Notwithstanding anything in the Declaration to the contrary, the City shall have the right to install flagpoles as shown in its Initial Plans approved pursuant to the Development Agreement and Section 5 herein, and the City shall have the right to install flagpoles as shown on any New Plans approved pursuant to the Development Agreement and

Section 6 herein, both without any further approval required by the DRC or the Association under the Declaration.

15. **Exterior Storage and Display**. Notwithstanding anything in the Declaration to the contrary, the City may install a library book drop outside of the COG Building Improvements so long as the library book drop design and location are approved as part of the Initial Plans, in accordance with the Development Agreement and Section 5 herein, or as part of any New Plans, in accordance with the Development Agreement and Section 6 herein.

16. **Notice**. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by hand delivery, FedEx or other reputable overnight delivery service, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. Notice shall be presumed delivered or given on the next business day after deposit with FedEx or other next day courier service for delivery (receipt must be retained for proof of deposit). The parties hereto shall have the right from time to time to change their respective addresses, within the continental United States of America, by at least five (5) days' notice to the other party as herein provided. Each notice which shall be mailed or delivered in the manner described above at the following addresses.

The address of Declarant for all purposes under this Agreement and for all notices hereunder shall be:

SU 560 Land Holdings I LLC
c/o Southwestern University
1001 E. University Avenue
Georgetown, Texas 78627
Attention: Laura S. Trombley
Email: laura@southwestern.edu

with a copy to:

Jackson Walker L.L.P.
1401 McKinney Street, Suite 1900
Houston, Texas 77010
Attention: Marisela Peña
Email: mpena@jw.com

The address of City for all purposes under the Agreement and for all notices hereunder shall be:

City of Georgetown
808 Martin Luther King Street
Georgetown, Texas 78626
Attention: David Morgan, City Manager
Email: david.morgan@georgetowntexas.gov

with a copy to:

City of Georgetown
808 Martin Luther King Street
Georgetown, Texas 78626
Attention: Skye Masson, City Attorney
Email: skye.masson@georgetowntexas.gov

17. **Counterpart Execution**. This Agreement may be executed in any number of counterparts, including execution by facsimile or Docusign, with the same effect as if all parties hereto had signed the same document, and all counterparts, either original and/or facsimile and/or electronic, will constitute one and the same agreement.

18. **Assignment; Binding Effect**. Declarant may assign this Agreement and all rights accruing hereunder to Banbury (or such other development manager selected by Declarant) or to any Affiliate (as hereinafter defined) of Declarant without the prior written consent of City, but with notice to City of any such assignment, and provided further that Declarant shall not be released from the obligations and liabilities of Declarant under and in connection with this Agreement. As used herein, "**Affiliate**" means a natural person, corporation, limited or general partnership, limited liability company, tenancy-in-common, joint venture, association, business trust, and any other organization and any combination of them, which directly or indirectly controls, or through one or more intermediaries, is controlled by, or is under common control with the party in question. City shall not assign this Agreement; any assignment by the City shall be *void ab initio*. The obligations of either party under this Agreement shall be binding on the City for so long as City owns the Land, unless a term or condition expressly survives termination of this Agreement.

19. **Automatic Termination**. The parties agree this Agreement shall expire and be of no further effect, save and except those provisions which survive the termination of this Agreement, if the City no longer owns the Land and/or the COG Building Improvements on the Land.

20. **No Partnership**. Declarant and City are not partners or joint venturers. In no event will any of the parties be liable or responsible for any contractual, tortuous, or other liability, obligation, or debt of any other party, whether a party to this Agreement or otherwise.

21. **Amendment**. This Agreement may only be amended, modified, or changed by a written document properly executed by Declarant and City. Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Agreement and in accordance with Section 16 above.

22. **Miscellaneous**.

a. TEXAS LAW TO APPLY. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED BY THIS AGREEMENT ARE PERFORMABLE IN WILLIAMSON COUNTY, TEXAS.

b. Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement; provided, however, that this Agreement continues to reasonably and substantially reflect the intent of the parties expressed herein taking into account the exclusion of such unenforceable provision.

c. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

d. Days. As used in this Agreement, "days" shall mean and refer to calendar days. If a deadline falls or notice is required on a Saturday, Sunday, or a legal banking holiday, then the deadline or notice shall be extended to the next calendar day which is a business day.

e. Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature page or an electronically scanned signature page shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement. An electronic signature transmitted in accordance herewith, shall be deemed in compliance with the U.S. Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act subject, however, to the following limitation: this document may not be amended, and its provisions may not be waived, orally or by electronic communications between the parties.

f. Recordation. This document shall be recorded in the Public Records of Williamson County, Texas, unless agreed to in writing by both parties.

g. **This Section 22 shall survive termination of this Agreement**.

23. **Sovereign Immunity; Capacity; Limited Waiver; Remedies; Authority**.

a. *Capacity of City*. City shall be deemed a "Lessee" under the Declaration and shall be bound by, and shall comply with, all covenants, conditions, restrictions, assessments, easements, architectural standards, maintenance obligations, and other provisions of the Declaration applicable to Lessees, except as expressly modified or pre-approved in this Agreement.

b. *No General Waiver; Construction Against Implied Waiver*. Declarant and City expressly recognize that, under Texas law, sovereign or governmental immunity is not waived except by clear and unambiguous legislative permission. Nothing in this

Agreement or the Declaration shall be construed as a general or implied waiver of sovereign or governmental immunity by City.

c. *Contract for Goods and Services.* The parties agree that this Agreement is a subject to Subchapter I, Chapter 271, Texas Local Government Code (the "**Provision**"), as amended from time to time. In addition to the limited waiver set forth in subsection (b) above, **City knowingly and expressly waives immunity from suit and liability to the extent that this Agreement or any of the Documents falls under the Provision**.

d. *Limited and Express Waiver for Enforcement of Covenants*. **City knowingly and expressly waives immunity from suit, but not from liability except as expressly provided herein**, solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to: (i) determine the parties' respective rights and obligations under this Agreement, the Declaration, and any other applicable agreements between the City and Declarant (collectively, the "**Documents**") as they pertain to the Land; and (ii) enforce compliance with the Documents as to such Land, including any COG Building Improvements on the Land, by means of declaratory and injunctive relief and specific performance. This limited waiver does not extend to any claim for money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against the City **except to the extent** such relief is expressly authorized by statute that clearly and unambiguously waives immunity, and then only to the extent of such statutory authorization.

e. *Venue; Jurisdiction*. Any permitted action against the City arising out of or relating to the Documents shall be brought exclusively in a state district court of competent jurisdiction sitting in the county in Texas where the Land is located.

f. **PROHIBITION ON VIOLATION OF STATE LAW AND CONSTITUTION**. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, DECLARANT AND THE CITY ACKNOWLEDGE AND AGREE THAT THE CITY SHALL NOT BE REQUIRED TO PERFORM ANY ACT OR TO REFRAIN FROM ANY ACT IF THAT PERFORMANCE OR NON-PERFORMANCE WOULD CONSTITUTE A VIOLATION OF THE CONSTITUTION OR LAWS OF THE STATE OF TEXAS.

g. **This Section 23 shall survive termination of this Agreement**.

EXECUTED to be effective on the date fully executed by Declarant and City (the "**Effective Date**").

*[SIGNATURES APPEAR ON FOLLOWING PAGES]*

**DECLARANT:**

SU 560 LAND HOLDINGS I, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me the ____ day of _____, 2026, by _____, _____ of SU 560 Land Holdings I, LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

_____
Notary Public Signature

**CITY:**

CITY OF GEORGETOWN, TEXAS,
a Texas home-rule municipal corporation

By: _____
Name: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me the ____ day of _____, 20__, by _____, _____ of the City of Georgetown, Texas, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

_____
Notary Public Signature

# EXHIBIT "M"

## FORM OF MEMORANDUM

[See Attached]

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

| | | |
|---|---|---|
| THE STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF WILLIAMSON | § | |

**MEMORANDUM OF DEVELOPMENT AND OPERATIONS AGREEMENT**

This MEMORANDUM OF DEVELOPMENT AND OPERATIONS AGREEMENT (this "**Memorandum**") is hereby made and entered into the _____ day of _____, 2026 (the "**Effective Date**"), by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company ("**Developer"**) and **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation, a political subdivision of the State of Texas ("**City**").

W I T N E S E T H:

WHEREAS, Developer has, of even date herewith, conveyed to the City by Special Warranty Deed (Fee Simple With Conditions Subsequent and Right of Reversion) that certain approximately 1.830-acre parcel of real property in the City of Georgetown, Williamson County, Texas, being more particularly described on **Exhibit "A"** attached hereto and made a part hereof for all purposes (the "**City Property**");

WHEREAS, in connection with the closing of the City Property, Developer and the City have entered into that certain unrecorded Development and Operations Agreement of even date herewith (the "**Development and Operations Agreement**"), which encumbers the City Property (all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Development and Operations Agreement); and

WHEREAS, Developer and the City desire to execute this Memorandum and record the same among the Official Public Records of Williamson County, Texas to provide record notice to third parties of the Development and Operations Agreement.

FOR AND IN CONSIDERATION of Ten and No/100 Dollar ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Developer and the City hereby give notice as follows:

1. Developer and City have entered into that certain Development and Operations Agreement of even date herewith which encumbers the City Property and contains terms, provisions, and conditions affecting the rights and obligations of the parties thereto, including without limitation, the following:

a. Developer's construction of certain infrastructure improvements in connection with the City's intended use and development of the City Property;

b. The City's construction of certain building and parking improvements in connection with the City's intended use and development of the City Property;

c. The City's agreement to comply with certain covenants and restrictions related to the use and operation of the City Property;

d. The Developer's Right of First Offer and Right of First Refusal with respect to the City Property, as set forth in Section 3.11 of the Development and Operations Agreement; and

e. The Purchase Option in favor of Developer for the Ground Floor Retail Premises, as set forth in Section 3.12 of the Development and Operations Agreement.

2. Upon the expiration or earlier termination of the Development and Operations Agreement, the City shall execute and deliver to Developer a recordable release document in the form attached hereto as **Exhibit "B"** confirming such expiration or earlier termination.

3. The enumeration of the provisions set forth in Section 1 is not intended to be exclusive. This Memorandum does not alter, amend or modify the Development and Operations Agreement, but is executed for the purpose of recording in the Official Public Records of Williamson County, Texas, to give notice of the terms and provisions affecting the rights and obligations of the parties thereto as set forth in the Development and Operations Agreement, to which reference is here made for a full description of the rights and obligations of Developer and the City. In the event of any conflict between the terms of the Development and Operations Agreement and this Memorandum, the Development and Operations Agreement shall control.

4. This Memorandum shall be binding upon the City and its successors and assigns and shall run with title to the City Property. This Memorandum shall run to the benefit of Developer and its successors and assigns.

5. This Memorandum may be executed in two or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument.

*[Signature Pages Follow]*

**DEVELOPER:**

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____

Name:_____

Title:_____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas
My Commission Expires:_____

[Signature and acknowledgment of City follows on next page.]

**CITY**:

**CITY OF GEORGETOWN**,
a Texas home-rule municipal corporation

By:_____

Name: _____

Title: _____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed and in his/her capacity as _____ of City of Georgetown, a home-rule municipality, a political subdivision of the State of Texas, on behalf of said home-rule municipality.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas
My Commission Expires: _____

**After recording return to**:
Jackson Walker LLP
Marisela Peña
1401 McKinney Street # 1900
Houston, Texas 77010

**EXHIBIT "A"**

**THE CITY PROPERTY**

[See Attached]

**EXHIBIT "B"**

**RELEASE OF MEMORANDUM**

[See Attached]

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

| | | |
|---|---|---|
| THE STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF WILLIAMSON | § | |

**RELEASE AND TERMINATION OF MEMORANDUM OF DEVELOPMENT AND OPERATIONS AGREEMENT**

This RELEASE AND TERMINATION OF MEMORANDUM OF DEVELOPMENT AND OPERATIONS AGREEMENT (this "**Release**") is entered into this _____ day of _____, 2____, by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company ("**Developer**"), and **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation, a political subdivision of the State of Texas ("**City**").

**RECITALS**

A. Developer and the City entered into that certain Development and Operations Agreement dated _____, 2026 ("**Agreement**"), as evidenced by that certain Memorandum of Development and Operations Agreement by and between Developer and the City, recorded under Document No. _____, in the Official Public Records of Williamson County, Texas (the "**Memorandum**"), which affects the following real property:

See **Exhibit A** attached hereto (the "**Property**");

B. As of the date hereof, Developer and the City desire to release and terminate the Agreement and Memorandum in their entirety.

**NOW THEREFORE**, for and in consideration of One and No/100 Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Developer and the City hereby recite and agree as follows:

1. **Release and Termination**. Developer and the City do hereby release and terminate the Agreement and Memorandum in their entirety. From and after the date hereof, the Agreement and Memorandum shall be null and void and of no further force or effect.

2. **Runs With the Land; Binding Effect; Capitalized Terms**. This Release shall run with the land and shall be binding upon and inure to the benefit of the owner of the Property, its successors and assigns from and after the date hereof.

*[Signature Page to Follow]*

EXECUTED to be effective the date first written above.

**DEVELOPER:**

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 20_____.

_____
Notary Public in and for the State of Texas
My Commission Expires:_____

[Signature and acknowledgment of City follows on next page.]

**CITY**:

**CITY OF GEORGETOWN**,
a Texas home-rule municipal corporation

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed and in his/her capacity as _____ of City of Georgetown, a home-rule municipality, a political subdivision of the State of Texas, on behalf of said home-rule municipality.

Given under my hand and seal of office this the _____ day of _____ 2_____.

_____
Notary Public in and for the State of Texas
My Commission Expires: _____

**After recording return to**:
_____
_____
_____
Attention: _____

# EXHIBIT "N"

## FORM OF PURCHASE AGREEMENT FOR OPTION ON GROUND FLOOR RETAIL PREMISES

[See Attached]

TEXAS REALTORS

# COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
©Texas Association of REALTORS®, Inc. 2022

**1. PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: _____

_____

Address: _____
Phone: _____ E-mail: _____
Mobile: _____ Fax or Other: _____

Buyer: _____

_____

Address: _____
Phone: _____ E-mail: _____
Mobile: _____ Fax or Other: _____

**2. PROPERTY:**

A. "Property" means that real property situated in Williamson County, Texas at _____ *(address)* and that is legally described on the attached Exhibit _____ or as follows:

B. Seller will sell and convey the Property together with:
(1) all buildings, improvements, and fixtures;
(2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
(3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
(4) Seller's interest in all licenses and permits related to the Property;
(5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
(6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
(7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____.
Any personal property not included in the sale must be removed by Seller prior to closing.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)*
*(If mineral rights are to be reserved an appropriate addendum should be attached.)*
*(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946).)*

**3. SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing.....$ Fair Market Value determined by Parties

B. Sum of all financing described in Paragraph 4.....$ _____

C. Sales price (sum of 3A and 3B).....$ _____

**4. FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3B as follows:

❑ A. Third Party Financing: One or more third party loans in the total amount of $_____. This contract:

X❑ (1) is not contingent upon Buyer obtaining third party financing.

❑ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).

❑ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be $_____.

❑ C. Seller Financing: Buyer will deliver a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of $_____.

**5. EARNEST MONEY:**

A. Not later than 3 days after the effective date, Buyer must deposit $ $25,000 as earnest money with [Title Company Selected by Buyer] (title company) at _____(address)_____(closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B. Buyer will deposit an additional amount of $ N/A with the title company to be made part of the earnest money on or before:

❑ (i)_____days after Buyer's right to terminate under Paragraph 7B expires; or

❑ (ii)_____.

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

**6. TITLE POLICY, SURVEY, AND UCC SEARCH:**

A. Title Policy:

(1) ~~Seller, at Seller's expense, will furnish Buyer~~ Buyer, at Buyer's expense, shall obtain an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:

(a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and

(b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.

(2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:

❑ (a) will not be amended or deleted from the title policy.

❑ (b) will be amended to read "shortages in areas" at the expense of ❑ Buyer ❑ Seller.

(3) Within 20 days after the effective date, ~~Seller will furnish Buyer~~ Buyer, at Buyer's expense, shall obtain a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 30 days after the effective date:

❑ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ *(insert amount)* of the cost of the survey at closing, if closing occurs.

❑ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.

☒ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ❑ Seller ☒ Buyer (updating party), ~~will~~ may at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 30 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 30 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ _____ *(insert amount or percentage)* of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

~~❑ (1) Within 30 days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.~~

❑ (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

(1) Within 15 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the

objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

**7. PROPERTY CONDITION:**

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:_____
_____
_____.

B. Feasibility Period: Buyer may terminate this contract for any reason within 60 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. *(Check only one box and insert amounts.)*

☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less $ 100 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (b) Not later than 3 days after the effective date, Buyer must pay $_____ as independent consideration for Buyer's right to terminate by tendering such amount to the title company. Buyer authorizes escrow agent to release and deliver the independent consideration to Seller at any time upon Seller's request without further notice to or consent from Buyer. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single additional period of _____ days by delivering $_____ to the title company as additional earnest money.

(a) $_____ of the additional earnest money will be retained by Seller as additional independent consideration for Buyer's unrestricted right to terminate, but will be credited to the sales price only upon closing of the sale. If Buyer terminates under this Paragraph 7B, the additional earnest money will be refunded to Buyer and Seller will retain the additional independent consideration.

(b) Buyer authorizes escrow agent to release and deliver to Seller the following at any time upon Seller's request without further notice to or consent from Buyer:
(i) The additional independent consideration.
(ii) *(Check no boxes or only one box.)*
☐ all or ☐ $_____ of the remaining portion of the additional earnest money, which will be refunded to Buyer if Buyer terminates under this Paragraph 7B or if Seller defaults under this contract.

If no dollar amount is stated in this Paragraph 7B(2) as additional earnest money or as additional independent consideration, or if Buyer fails to timely deliver the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:
(a) employ only trained and qualified inspectors and assessors;
(b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
(c) abide by any reasonable entry rules or requirements of Seller;
(d) not interfere with existing operations or occupants of the Property; and
(e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer the following to the extent in Seller's possession: *(Check all that apply.)*

☒ (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
☒ (b) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
☒ (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
☒ (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
☒ (e) copies of all current service, utility, maintenance, and management agreements relating to the ownership and operation of the Property;
☒ (f) copies of current utility capacity letters from the Property's water and sewer service provider;
☒ (g) copies of all current warranties and guaranties relating to all or part of the Property;
☒ (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
☒ (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
☒ (j) a copy of the "as-built" plans and specifications and plat of the Property;
☒ (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
☐ (l) a copy of Seller's income and expense statement for the Property from _____ to_____;
☒ (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;

☒ (n) real and personal property tax statements for the Property for the previous 2 calendar years;
☒ (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from_____to_____; and
☐ (p) _____

_____

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*
☐ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer inother than an electronic format and all copies that Buyer made of those items;
☒ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
☐ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.
This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

**8. LEASES:**

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
(1) any failure by Seller to comply with Seller's obligations under the leases;
(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
(3) any non-occupancy of the leased premises by a tenant;
(4) any advance sums paid by a tenant under any lease;
(5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
(6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within 60 days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than_____by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 – Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

## 9. BROKERS:

A. The brokers to this sale are:

**Principal Broker**:_____

_____

Agent:_____

Address:_____

_____

Phone & Fax:_____

E-mail:_____

License No.:_____

**Cooperating Broker**: _____

_____

Agent:_____

Address:_____

_____

Phone & Fax:_____

E-mail:_____

License No.:_____

Principal Broker: *(Check only one box)*
❑ represents Seller only.
❑ represents Buyer only.
❑ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: *(Check only (1) or (2) below.)*
*(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)*

❑ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

❑ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
❑ _____ % of the sales price.
❑_____.

Cooperating Broker a total cash fee of:
❑_____% of the sales price.
❑_____.

The cash fees will be paid in_____County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

*NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.*

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

## 10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:
(1) ❑ 30 days after the expiration of the feasibility period.
❑ _____ *(specific date)*.
❑ _____.
(2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ❑ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
(1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
(2) without any assumed loans in default; and
(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
(1) tax statements showing no delinquent taxes on the Property;
(2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
(3) an assignment of all leases to or on the Property;
(4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
(a) licenses and permits;
(b) service, utility, maintenance, management, and other contracts; and
(c) warranties and guaranties;
(5) a rent roll current on the day of the closing certified by Seller as true and correct;
(6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
(7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
(8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

E. At closing, Buyer will:
(1) pay the sales price in good funds acceptable to the title company;
(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
(3) sign and send to each tenant in the Property a written statement that:
(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
(b) specifies the exact dollar amount of the security deposit;
(4) sign an assumption of all leases then in effect; and
(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

**11. POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

**12. SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

**13. SALES EXPENSES:**

A. Seller's Expenses: Seller will pay for the following at or before closing:
(1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
(2) release of Seller's loan liability, if applicable;
(3) tax statements or certificates;
(4) preparation of the deed and any bill of sale;
(5) one-half of any escrow fee;
(6) costs to record any documents to cure title objections that Seller must cure; and
(7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:
(1) all loan expenses and fees;
(2) preparation fees of any deed of trust;
(3) recording fees for the deed and any deed of trust;
(4) premiums for flood and hazard insurance as may be required by Buyer's lender;
(5) one-half of any escrow fee; and
(6) other expenses that Buyer will pay under other provisions of this contract.

**14. PRORATIONS:**

A. Prorations:
(1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
(2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
(3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

**15. DEFAULT:**

A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
*(Check if applicable)*
☐ ~~enforce specific performance, or~~ seek such other relief as may be provided by law.

for actual damages not to exceed five percent (5%) of the Sales Price.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

**16. CASUALTY LOSS AND CONDEMNATION:**

A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

(1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
(2) extend the time for performance up to 15 days and closing will be extended as necessary; or
(3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:
(1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
(2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

**17. ATTORNEY'S FEES:** If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

**18. ESCROW:**

A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.

B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.

D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursal of the earnest money.

E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.

F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.

G. ❑ Seller ❑ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

**19. MATERIAL FACTS:** To the best of Seller's knowledge and belief: *(Check only one box.)*

❑ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).

☒ B. Except as otherwise provided in this contract, Seller is not aware of:
(1) any subsurface: structures, pits, waste, springs, or improvements;
(2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
(3) any environmental hazards or conditions that materially affect the Property;
(4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
(5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
(6) any wetlands, as defined by federal or state law or regulation, on the Property;
(7) any threatened or endangered species or their habitat on the Property;
(8) any present or past infestation of wood-destroying insects in the Property's improvements;
(9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;

(10) any material physical defects in the improvements on the Property; or
(11) any condition on the Property that violates any law or ordinance.

*(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)*

**20. NOTICES:** All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, sent by a national or regional overnight delivery service that provides a delivery receipt, or sent by confirmed facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

**21. DISPUTE RESOLUTION:** The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

**22. AGREEMENT OF THE PARTIES:**

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby. All individuals signing represent that they have the authority to sign on behalf of and bind the party for whom they are signing.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: *(Check all that apply.)*
☐ (1) Property Description Exhibit identified in Paragraph 2;
☒ (2) Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946);
☐ (3) Commercial Contract Financing Addendum (TXR-1931);
☐ (4) Commercial Property Condition Statement (TXR-1408);
☐ (5) Commercial Contract Addendum for Special Provisions (TXR-1940);
☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906);
☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
☐ (8) Addendum for Coastal Area Property (TXR-1915);
☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
☐ (10) Information About Brokerage Services (TXR-2501;
☐ (11) Information About Mineral Clauses in Contract Forms (TXR-2509);
☐ (12) Notice of Obligation to Pay Improvement District Assessment (TXR-1955, PID);
☒ (13) GENERAL ADDENDUM ATTACHED HERETO
_____.

*(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)*

E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract. in accordance with Section 12 of the Addendum attached hereto

**23. TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or Federal Reserve Bank holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday,or federal reserve bank holiday.

**24. EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

**25. ADDITIONAL NOTICES:**

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.

B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you willbe required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract *(the Addendum for Coastal Area Property (TXR-1915) may be used)*.

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract *(the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used)*.

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract *(the Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906) may be used)*.

H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.

I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for variousreasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

J. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller is required by §5.014, Property Code to give Buyer a written notice concerning the obligation to pay assessments. The form of the required notice is available as a part of the Notice of Obligation to Pay Improvement District Assessment (TXR-1955).

K. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____
_____.

**26. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on_____, the offer will lapse and become null and void.

**READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.**

| | |
|---|---|
| **Seller**: _____ | **Buyer**: _____ |
| _____ | _____ |
| By:_____ | By:_____ |
| By (signature):_____ | By (signature):_____ |
| Printed Name: _____ | Printed Name: _____ |
| Title: _____ | Title: _____ |
| By:_____ | By:_____ |
| By (signature):_____ | By (signature):_____ |
| Printed Name: _____ | Printed Name: _____ |
| Title: _____ | Title: _____ |

## AGREEMENT BETWEEN BROKERS

(*use only if Paragraph 9B(1) is effective*)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- ❑ $_____, or
- ❑ _____% of the sales price, or
- ❑ _____% of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

## ATTORNEYS

Seller's attorney:_____

Address: _____

Phone & Fax: _____

Email: _____

Seller's attorney requests copies of documents, notices, and other information:

- ❑ the title company sends to Seller.
- ❑ Buyer sends to Seller

Buyer's attorney:_____

Address: _____

Phone & Fax: _____

Email: _____

Buyer's attorney requests copies of documents, notices, and other information:

- ❑ the title company sends to Buyer.
- ❑ Seller sends to Buyer

## ESCROW RECEIPT

The title company acknowledges receipt of:

- ❑ A. the contract on this day_____(effective date);
- ❑ B. earnest money in the amount of $_____in the form of_____on_____.

Title company:_____ Address: _____

By:_____ Phone & Fax: _____

Assigned file number (GF#): _____ E-mail: _____

TEXAS REALTORS

# COMMERCIAL CONTRACT CONDOMINIUM ADDENDUM

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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**ADDENDUM TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED SELLER AND BUYER CONCERNING THE PROPERTY AT _____**

A. Paragraph 2 of the contract is amended by adding the following to be included as part of the Property: "the Property's (the unit) undivided interest in the common elements designated by the recorded condominium declaration, including those areas reserved as limited common elements appurtenant to the unit and such other rights to use the common elements which have been specifically assigned to the unit in any other manner, including but not limited to parking and storage areas assigned to the unit, which are: _____ _____.

B. The present periodic expense or assessment for the unit is $_____ per _____, which pays for the expenses necessary for the operation and maintenance of common areas and the following services to the unit: ❑ water; ❑ security; ❑ sewer; ❑ garbage; ❑ electricity; ❑ gas; ❑ cable; ❑ _____.

C. Any transfer or processing fee payable to the owners' association will be paid by ❑ Seller ❑ Buyer.

D. Condominium information is provided to Buyer as follows *(check only (1) or (2) below)*:

❑ (1) If Seller is the condominium declarant or successor declarant.

"Condominium information statement" means a statement prepared by the declarant that contains, at a minimum, the information required by §82.153, Property Code.

❑ (a) Buyer has received a copy of the condominium information statement. Buyer is advised to read the condominium information statement before signing the contract.

❑ (b) Buyer has not received a copy of the condominium information statement. Within _____ days after the effective date of the contract, Seller, at Seller's expense, will furnish Buyer the condominium information statement. Buyer may cancel the contract before the 6th day after Buyer receives the condominium information statement by delivering written notice of cancellation to Seller by hand-delivery or certified mail, return receipt requested.

❑ (2) If Seller is not the condominium declarant or successor declarant (resale).

"Resale certificate" means a certificate completed by the owners' association that contains, at a minimum, the declaration, bylaws, and rules of the Property's owners' association, and the other information required by §82.157, Property Code.

❑ (a) Buyer has received a resale certificate completed no earlier than 3 months before the effective date of the contract.

❑ (b) Buyer has not received a resale certificate. Within _____ days after the effective date of the contract, Seller, at Seller's expense, will furnish Buyer a resale certificate prepared not earlier than 3 months before the date it is delivered to Buyer. Buyer may cancel the contract before the 6th day after Buyer receives the resale certificate by delivering written notice of cancellation to Seller by hand-delivery or certified mail, return receipt requested.

❑ (c) Buyer has received Seller's affidavit that Seller requested information from the owners' association concerning its financial condition as required by the Property Code and that the owners' association did not provide the resale certificate or information required in the resale certificate. Buyer and Seller agree to waive the requirement to furnish the resale certificate.

**Seller**: _____

_____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

**Buyer**: _____

_____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

**GENERAL ADDENDUM**
**TO**
**COMMERCIAL CONTRACT – IMPROVED PROPERTY**

This is an addendum to the Commercial Contract — Improved Property, as affected by that certain Commercial Contract Condominium Addendum (collectively, the "Contract") for the Property located at [**ADDRESS**], [**UNIT NUMBER**], Georgetown, Williamson County, Texas 78626, as more fully described in the Contract in which **[BUYER NAME]**, a _____, is referred to as "Buyer" and **[SELLER NAME]**, a _____, is referred to as "Seller." Except as expressly modified herein, all terms, covenants, representations, warranties, and conditions set forth in the Contract shall remain unaltered and in full force and effect; any capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Contract. In the event of any conflict or inconsistency between the terms of this Addendum and the terms of the Contract, the terms of this Addendum shall control and govern with respect to the subject matter hereof.

1. Representations and Warranties. Seller represents and warrants to Buyer as follows:

(a) Title. Seller has good, indefeasible and insurable title to the Property, free and clear of all liens, encumbrances, leases, tenancies, security interests, covenants, conditions, restrictions, rights-of-way, easements, judgments, and other matters affecting title except as permitted under Paragraph 6 or other provisions of the Contract. Seller has the full right, power, and authority to sell and convey the Property as provided in the Contract and to carry out Seller's obligations hereunder, without the joinder of any other person or entity, and all requisite action necessary to authorize Seller to enter into the Contract and to carry out its obligations hereunder has been or by the closing will have been taken.

(b) No Condemnation Pending or Threatened. There is no pending or threatened condemnation or similar proceeding affecting the Property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated.

(c) Compliance with Laws. Seller has complied with all applicable laws, ordinances, regulations, statutes, rules, and restrictions pertaining to and affecting the Property. Performance of the Contract will not result in any breach of, or constitute any default under, or result in the imposition of, any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property might be bound.

(d) Pending Litigation. There are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases, pending or threatened, against the Property, and Seller is not aware of any facts that might result in any such action, suit or other proceedings.

(e) Parties in Possession; Leases. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers, except for tenants occupying the Property under currently effective leases, licenses or occupancy agreements which agreements shall be terminated by Seller and of no further force and effect as of the closing date.

(f) Seller Not a "Foreign Person". Seller is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code, and any applicable regulations promulgated thereunder.

(g) Survival of Representations and Warranties. The representations and warranties set forth in this Paragraph 1 shall be continuing and shall be true and correct on and as of the closing date with the same force and effect as if made at that time, and all of such representations and warranties shall survive the closing for a period of two (2) years thereafter and shall not be affected by any investigation, verification, or approval by any party hereto or by anyone on behalf of any party hereto.

2. Inspections. Buyer is expressly not responsible for, and Seller will not hold Buyer liable for, the mere discovery of preexisting conditions, defects, dangerous conditions, environmental issues, hazardous substances, or any other discovery at the Property due to its inspections, studies, or assessments or any claims or damages due to Seller's (or its agents', employees', contractors' or other Seller-related parties') negligence or willful misconduct.

3. Maintenance of the Property. Subsequent to the execution of the Contract and until the closing date, the Property will be maintained in good condition. During the period between the effective date and the closing date, Seller shall not take or permit to be taken any action which may adversely affect the existing condition of the Property, and Seller shall observe all laws, ordinances and regulations and restrictions affecting the Property and the use thereof. In addition, during the period between the effective date and the closing date, unless the prior written consent of Buyer is first obtained, Seller shall refrain from (a) making any change or improvement upon or about the Property; (b) creating or incurring, or suffering to exist, any mortgage, lien, pledge, security interest, charge, encumbrance or restriction of any kind upon or in any way affecting the Property; (c) committing any waste or nuisance upon the Property or dumping trash or refuse thereon; and (d) assigning, transferring or conveying or agreeing to assign, transfer or convey all or any portion of the Property.

4. "AS-IS" Purchase. Buyer acknowledges that, except as expressly set forth in the Contract or in any documents delivered by Seller pursuant hereto, Buyer is purchasing the Property in its present, "as-is, where-is, with all faults" condition, subject, however, to the express terms of the Contract. The parties intend that the risk of adverse conditions discovered during the feasibility period shall rest with Buyer unless Buyer elects to terminate as set forth above; provided, however, that nothing herein shall: (i) release, limit or waive any liability of Seller for breach of the Contract, fraud, concealment, intentional misrepresentation, or violation of law; (ii) constitute a waiver of Buyer's right to seek specific performance, damages or other remedies in connection with any such breach; or (iii) be construed to restrict Buyer's ability to assign any claim relating to the Property or the Contract. Seller acknowledges and agrees that the foregoing provisions are a

material part of the consideration for Buyer entering into the Contract and that, but for such provisions, Buyer would not have agreed to purchase the Property.

5. Form of Closing Documents. Notwithstanding anything contained in the Contract to the contrary, (a) the special warranty deed shall be in the form of the Special Warranty Deed attached hereto as Exhibit B and made a part hereof for all purposes, (b) the bill of sale shall be in the form of the Bill of Sale attached hereto as Exhibit C and made a part hereof for all purposes, and (c) the nonforeign affidavit shall be in the form of the Nonforeign Affidavit attached hereto as Exhibit D and made a part hereof for all purposes.

6. Counterparts; Execution. To facilitate execution, the Contract may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of both parties to the Contract be contained on any one counterpart hereof. Additionally, the parties hereto hereby covenant and agree that, for purposes of facilitating the execution of the Contract, (a) the signature pages taken from separate individually executed counterparts of the Contract may be combined to form multiple fully executed counterparts and (b) a telecopy or electronic delivery [i.e., the transmission by any party of his, her or its signature on an original or any copy of the Contract via fax machine or over the internet in electronic photostatic copy format (e.g., .pdf Adobe)] shall be deemed to be the delivery by such party of his, her or its original signature hereon. All executed counterparts of the Contract shall be deemed to be originals, but all such counterparts, taken together or collectively, as the case may be, shall constitute one and the same agreement.

7. Waiver of Jury Trial. In the event that a dispute survives the closing or termination of the Contract, EACH OF SELLER AND BUYER HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY THE OTHER PARTY HERETO UNDER THE CONTRACT OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, ANY AND EVERY RIGHT EACH OF SELLER AND BUYER MAY HAVE TO: (A) INJUNCTIVE RELIEF (EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE CONTRACT TO THE CONTRARY); (B) A TRIAL BY JURY; (C) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH SUIT, ACTION OR PROCEEDING, WOULD BE WAIVED); AND (D) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING.

8. Commissions. Seller and Buyer each warrant and represent to the other that neither of them has dealt with any agent or broker other than the ones identified in such Paragraph 9 of the Contract in connection with this transaction, and Seller and Buyer each agree, to the extent permitted by applicable law, to indemnify and hold the other party harmless from any loss, liability, or expense suffered by the other party by reason of a breach of such warranty and representation.

9. Property Operating Expenses. Except as otherwise expressly provided in the Contract or in the documents to be executed at closing, Seller shall be responsible for and shall pay all expenses and other financial obligations related to the Property arising, accruing or relating to the

period prior to closing, and Buyer shall be responsible for and shall pay all expenses and other financial obligations related to the Property arising, accruing or relating to the period after closing.

10. Expiration. Paragraph 26 of the Contract is hereby deleted.

11. Special Provisions - Condominium.

(a) Assessments; Association Obligations. Seller represents that to Seller's actual knowledge, without the duty of any independent investigation or inquiry, all regular and special assessments, fines, and other amounts levied by the condominium owners association ("Association") against the Property prior to closing will be paid in full by Seller on or before closing. Seller further represents that no special assessment has been approved that would, if assessed, affect the Property after closing, except as expressly disclosed in writing to Buyer. If any such special assessment is approved prior to closing without the Buyer's approval, Seller shall be solely responsible for the full amount thereof, whether due before or after closing, and Seller shall either pay the assessment in full on or before closing or credit Buyer at closing with the full amount of the assessment. Buyer shall have no obligation for any Association deficit or underfunded reserve existing on or accruing prior to closing.

(b) Seller Representations Regarding the Condominium Unit. Seller represents, warrants, and covenants that to Seller's actual knowledge, without the duty of any independent investigation or inquiry : (i) the Property and any appurtenant limited common elements serving the Property are in compliance with all governmental requirements and with the Declaration of Condominium, bylaws, articles of incorporation or association of the Association, all recorded rules and regulations, any architectural control guidelines, the current budget, most recent financial statements, current reserve study (if any), management agreement, insurance certificates, all minutes of the Association and of its committees for the preceding twenty-four (24) months, and every amendment or supplement to any of the foregoing (collectively, the "Condominium Instruments"); (ii) no alterations or improvements to the Property have been performed by Seller without obtaining all required Association or governmental approvals and without full payment to all contractors, subcontractors, and suppliers; (iii) no portion of the Property is subject to any pending or threatened condemnation, eminent domain, assessment lien foreclosure, or Association enforcement action; (iv) the present use of the Property as office space is a permitted use under zoning, land-use regulations, and the Condominium Instruments; and (v) Seller has received no notice of any violation of law, code, regulation, or Association rule that remains uncured.

12. **Assignment**. Buyer may assign this Contract with the prior written consent of Seller, said consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Buyer shall have the right to assign this Contract without the prior written consent of Seller to any Affiliate (as hereinafter defined) of Buyer, but with notice to Seller of any such assignment, and provided further that Buyer shall not be released from the obligations and liabilities of Buyer under and in connection with this Contract. As used herein, "***Affiliate***" means a natural person, corporation, limited or general partnership, limited liability company, tenancy-in-common, joint venture, association, business trust, and any other organization and any combination of them, which directly or indirectly controls, or through one or more intermediaries, is controlled by, or is under common control with Buyer. Seller shall not assign this Contract

without the prior written consent of Buyer, said consent not to be unreasonably withheld, conditioned or delayed.

13. Exhibits and Schedules. The exhibits and schedules attached to this Addendum, if any, are hereby deemed a part of the Contract for all purposes.

14. Addendum. This Addendum is attached to and made a part of the Contract for all purposes. All references in this Addendum to "the Contract" shall include this Addendum.

[Signatures on the following page.]

BUYER:

**[BUYER NAME]**

By:_____
Name:_____
Name:_____
Title:_____
Title:_____

SELLER:

**[SELLER NAME]**

By:_____

**EXHIBIT A**
**TO**
**COMMERCIAL CONTRACT – IMPROVED PROPERTY**
**BETWEEN**
**_____, SELLER**
**AND**
**_____, BUYER**

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LEGAL DESCRIPTION OF THE PROPERTY

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**EXHIBIT B**
**TO**
**COMMERCIAL CONTRACT – IMPROVED PROPERTY**
**BETWEEN**
**_____, SELLER**
**AND**
**_____, BUYER**

---

SPECIAL WARRANTY DEED FORM

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AFTER RECORDING RETURN TO:

_____
_____
_____

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

**SPECIAL WARRANTY DEED**

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF WILLIAMSON §

THAT _____, a _____ ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration to it paid by _____ ("Grantee"), whose mailing address is _____, the receipt and sufficiency of which are hereby acknowledged and confessed by Grantor, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY unto Grantee that certain tract or parcel of land (the "Land"), together with all improvements thereon (the "Improvements"), lying and being situated in the City of Georgetown, County of Williamson, State of Texas, and being more particularly described on **Exhibit A** attached hereto and made a part hereof for all purposes, and all right, title and interest of Grantor in and to all appurtenances pertaining to the Land and Improvements, including all right, title and interest of Grantor in and to adjacent streets, roads, alleys, strips, gores, easements, rights of ingress or egress, rights-of-way and any other interests in, on, or to, any land, highway, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining the Land (the Land, the Improvements and such rights and appurtenances being hereinafter referred to collectively as the "Property").

This conveyance is made and accepted subject, subordinate and inferior to the leases, easements, covenants and the other matters and exceptions set forth on **Exhibit B**, attached hereto and made a part hereof for all purposes (the "Permitted Exceptions").

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, unto Grantee, its successors and assigns, forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT and FOREVER DEFEND all and singular the Property, subject to the Permitted Exceptions, unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

This instrument is executed on the date set forth on the acknowledgements appended hereto, but is effective for all purposes as of the _____ day of _____, 20_____.

GRANTOR:

_____,
a _____

By:_____
Name:_____
Title:_____

STATE OF _____§
§
COUNTY OF _____§

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, _____ of _____, a _____, on behalf of said company.

_____
Notary Public, State of Texas

Initialed for Identification by Buyer _____ Seller _____

**EXHIBIT C**
**TO**
**COMMERCIAL CONTRACT – IMPROVED PROPERTY**
**BETWEEN**
**_____, SELLER**
**AND**
**_____, BUYER**

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BILL OF SALE FORM

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**BILL OF SALE**

**Effective Date:** _____, 20__

**Seller:** _____, a _____

**Seller's Mailing Address:**

_____
_____
_____

**Buyer:** _____, a _____

**Buyer's Mailing Address:**

_____
_____
_____

**Consideration:** Ten Dollars ($10.00) and other good and valuable consideration.

**Real Property (including improvements):** See the legal description on Exhibit A attached hereto and incorporated herein for all purposes.

**Transferred Properties:**

All items of personal property, both tangible and intangible (excluding cash), affixed or attached to, or placed or situated on, or used or acquired in any way whatever in connection with the completion and comfortable use, enjoyment, occupancy, or operation of the Real Property, including, without limitation, the following:

1. All equipment, furniture, building supplies, appliances, and fixtures owned by Seller and located in or on or used in connection with the Real Property or the operations thereon.

2. All of Seller's interest in all use, occupancy, building, and operating permits, if any, and all licenses and approvals issued from time to time with respect to the Real Property or the Transferred Properties.

3. All of Seller's interest in all management, maintenance, service, supply, employment, and vending machine contracts, if any, relating to the Real Property or the Transferred Properties.

4. All of Seller's interest in and to all existing and assignable guarantees and warranties, express or implied, if any, issued in connection with the construction, alteration, and repair of the Real Property and the purchase, installation, and repair of the Transferred Properties, to the extent that such guarantees and warranties are known to and in the possession of Seller.

**Reservations from Transfer:** None.

**Exceptions to Transfer and Warranty:** Those exceptions, if any, contained in the Special Warranty Deed of even date conveying the Real Property from Seller to Buyer.

Seller, for the Consideration and subject to the Reservations from Transfer and the Exceptions to Transfer and Warranty, sells, transfers, and delivers the Transferred Properties to Buyer, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Buyer and Buyer's heirs, successors, and assigns forever. Seller binds Seller and Seller's heirs and successors to warrant and forever defend all and singular the Transferred Properties to Buyer and Buyer's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Transfer and the Exceptions to Transfer and Warranty.

This instrument may be executed in several counterparts, each of which shall be fully executed as an original and all of which together shall constitute one and the same instrument.

When the context requires, singular nouns and pronouns include the plural.

**[Balance of Page Intentionally Left Blank]**

**[Signature(s) on Following Page(s)]**

EXECUTED as of the ____ day of _____, 20__, to be effective as of the Effective Date.

SELLER:

_____,
a _____

By:_____
Name:_____
Title:_____

BUYER:

_____,
a _____

By:_____
Name:_____
Title:_____

**EXHIBIT D**
**TO**
**COMMERCIAL CONTRACT – IMPROVED PROPERTY**
**BETWEEN**
**_____, SELLER**
**AND**
**_____, BUYER**

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NONFOREIGN AFFIDAVIT FORM

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## NONFOREIGN AFFIDAVIT

**Effective Date:** _____, 20__.

**Transferor:** _____, a _____

**Transferor's Office Address:** _____.

**Transferor's U.S. Taxpayer Identification Number:** _____.

**Transferee:** _____, a _____.

**Property:** All the real property more particularly described on Exhibit A attached hereto.

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes, including purposes of section 1445, the owner of a disregarded entity that has legal title to a U.S. real property interest under local law will be the transferor of the property and not the disregarded entity. To inform Transferee that withholding of tax is not required on the disposition of a U.S. real property interest by Transferor, I certify on behalf of Transferor that the contents of this affidavit are true.

Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

Transferor is not a disregarded entity as defined in Treasury Regulation section 1.1445-2(b)(2)(iii).

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained in this affidavit could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this affidavit and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority

to sign this document on behalf of Transferor.

EXECUTED as of the ____ day of _____, 20__, to be effective as of the Effective Date.

TRANSFEROR:

_____,
a _____

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §
§
COUNTY OF _____§

SUBSCRIBED AND SWORN to by the said _____ as _____ of _____, a _____, this ____ day of _____, 20__, to certify which witness my hand and seal of office.

_____
Notary Public, State of Texas

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Special Warranty Deed, and Parking Easement with SU 560 Land Holdings I, LLC**

SUGGESTED ACTION:
Consideration and possible action to approve the Special Warranty Deed with Conditions Subsequent and Right of Reversion for 1.83 acres of land located within the William Addison Survey, Abstract No 21 and the Parking Easement with SU 560 Land Holdings I, LLC and to authorize the Mayor to execute each on behalf of the City of Georgetown -- David Morgan, City Manager

ITEM SUMMARY:

This Deed conveys a 1.830-acre tract in the 560 Southwestern Development to the City of Georgetown for construction of an approximately 74,000-square-foot municipal services building, including roughly 5,000 square feet of ground-floor space for retail or professional, non-medical office use. The conveyance is a fee simple subject to conditions subsequent, with a 99-year Ownership Term and a reversionary right in favor of the Developer (SU 560 Land Holdings I, LLC). The City must restrict the property to professional, non-medical office use, maintain continuous occupancy, and refrain from transferring it without the Developer's consent. Concurrently, Southwestern University grants the City a non-exclusive parking easement over an adjacent 4.665-acre tract it retains in fee, allowing construction and use of a parking lot of approximately 402 spaces, allocated among shared non-exclusive spaces, reserved visitor spaces, and spaces reserved for the City's fleet. The City is initially responsible for the parking improvements' maintenance and costs, subject to later proportional reallocation as the surrounding development progresses. Both the easement and the conveyance remain in effect only for the duration of the City's ownership.

FINANCIAL IMPACT:
The construction cost for the Municipal Services Building and the Parking Lot is approximately $ 50,972,221.

SUBMITTED BY:
Skye Masson, City Attorney's Office/ Real Estate

ATTACHMENTS:
Special Warranty Deed with Reverter.pdf
Parking Easement Agreement.pdf

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

# SPECIAL WARRANTY DEED

## (FEE SIMPLE WITH CONDITIONS SUBSEQUENT AND RIGHT OF REVERSION)

| | | |
|---|---|---|
| STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF WILLIAMSON | § | |

THAT **SU 560 LAND HOLDINGS I LLC**, a Texas limited liability company ("***Grantor***"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, has GRANTED, BARGAINED, SOLD and CONVEYED and by these presents does GRANT, BARGAIN, SELL and CONVEY, unto **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation ("***Grantee***"), whose address for the purposes hereof is 808 Martin Luther King Street, Georgetown, Texas 78626, subject to those special limitations set forth below, that certain parcel of land (the "***Land***") located in Williamson County, Texas, being more particularly described in Exhibit A attached hereto and incorporated herein by reference for all purposes, together with all and singular the improvements, buildings, structures and fixtures located thereon or attached thereto, all right, title and interest of Grantor, if any, in and to strips or gores, privileges, claims, easements, hereditaments, and appurtenances belonging to or inuring to the benefit of Grantor and pertaining to such land, and all rights of Grantor (if any) of ingress and egress to such land (all of such land, improvements and property are collectively referred to herein as the "***Property***"); provided, however, that this conveyance is made and accepted subject to: (A) to all those easements, covenants, restrictions and other matters more particularly described in Exhibit B attached hereto and incorporated herein by this reference for all purposes (the "***Permitted Exceptions***"), (B) the mineral reservation as more particularly set forth on Exhibit C attached hereto and incorporated herein by this reference for all purposes (the "***Mineral Reservation***"), (C) the Ownership Term, as more particularly described below, and (D) the following conditions subsequent (each, "***Fee Simple Condition Subsequent***", and collectively, the "***Fee Simple Conditions Subsequent***"):

1. Grantee shall use the Property only as a professional, non-medical office building, except that Grantee may also use up to 5,000 square feet on the first floor of the building (the "***Ground Floor Portion***") for retail use or professional, non-medical office use (collectively, the "***Permitted Use***");

2. Grantee shall not cease occupying and operating at the Property for the Permitted Use for a period of longer than two (2) years;

3. Grantee shall not sell, convey, or lease all or any part of the Property to any person or entity without Grantor's prior written consent, which shall not be unreasonably withheld. If at any time Grantee desires to sell, convey, or lease all or any part of the Property to any person or entity, Grantee shall request in writing that Grantor consent to the proposed sale, conveyance, or lease and shall not consummate such sale, conveyance, or lease without Grantor's prior written consent. Notwithstanding the foregoing, Grantee has the right to transfer the Ground Floor Portion of the building located on the Property to the Georgetown Economic Development Corporation without Grantor's prior written consent, provided that the transfer is subject to (i) the Ownership Term, (ii) Fee Simple Conditions Subsequent with rights of reverter in favor of Grantor as set forth in this Deed, (iii) Development Agreement (including, without limitation Grantor's Right of First Offer, Right of First Refusal, and Purchase Option, all being more particularly set forth therein), (iv) the Master Declaration, and (v) the Parking Easement;

4. Grantee shall not default under that certain Development and Operations Agreement of even date herewith, between Grantor and Grantee (as may be amended or supplemented from time to time, the "***Development Agreement***"), as evidenced by that certain Memorandum of Agreement between Grantor and Grantee and recorded on or about the date hereof;

5. Grantee shall not default under that certain Parking Easement Agreement of even date herewith, between Grantor and Grantee, recorded in the Official Public Records of Williamson County, Texas (as may be amended or supplemented from time to time, the "***Parking Easement***"); and

6. The Georgetown Transportation Enhancement Corporation shall not default under that certain Economic Development Incentive Agreement of even date herewith, between Grantor and the Georgetown Transportation Enhancement Corporation (as may be amended or supplemented from time to time, the "***Performance Agreement***").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its permitted successors and assigns; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND DEFEND, all and singular the title to the Property unto Grantee, its permitted successors and assigns, against every person whomsoever lawfully claiming or to claim the Property or any part thereof, by, through or under Grantor, but not otherwise; subject, however, to the Permitted Exceptions, the Mineral Reservation, the Fee Simple Conditions Subsequent, and the Ownership Term (as hereinafter defined).

In the event that (i) Grantee violates or fails to observe Fee Simple Conditions Subsequent 1, 2, 3, 4 or 5 as set out above and a court of competent jurisdiction issues an order declaring that Grantee has violated or failed to observe any of these conditions; or (ii) the Georgetown Transportation Enhancement Corporation violates or fails to observe Fee Simple Condition Subsequent 6 as set out above and a court of competent jurisdiction issues an order declaring that the Georgetown Transportation Enhancement Corporation has violated or failed to observe this condition, then Grantor or Grantor's successors will have the right to terminate the estate granted

to Grantee by this Deed and reenter and retake the Property; provided, however, that (i) Grantor shall not reenter and retake the Property due to a violation or failure to observe Fee Simple Conditions Subsequent 4, 5 or 6 unless and until the respective agreement referenced therein has been terminated; and (ii) if Grantor or Grantor's successors reenter and retake the Property, Grantor shall either (a) pay the full amount of the principal and interest of the annualized Georgetown Bonds payments each year when such payments become due with the first payment commencing immediately following the date of reentry and retaking and continuing thereafter until the Georgetown Bonds are paid in full; or (b) fully redeem or defease the Georgetown Bonds immediately following the date of reentry and retaking. Grantee hereby agrees to provide Grantor with all documentation necessary and requested by Grantor relating to Georgetown Bonds and their repayment terms, conditions, and obligations. For purposes of this provision, "***Georgetown Bonds***" shall mean all those bonds issued by Grantee to fund the construction of improvements on the Property including but limited to the design and construction of the building and parking improvements.

**IN ADDITION TO THE FOREGOING, TITLE TO THE ENTIRETY OF THE PROPERTY, TOGETHER WITH ALL AND SINGULAR THE RIGHTS AND APPURTENANCES THERETO IN ANY WISE BELONGING, SHALL IMMEDIATELY AND AUTOMATICALLY TERMINATE, BE NULL AND VOID, AND REVERT TO GRANTOR (INCLUDING ITS SUCCESSORS, ASSIGNS OR DESIGNEES), FREE AND CLEAR OF ANY AND ALL LIENS AND ENCUMBRANCES PLACED UPON OR PERMITTED TO BE PLACED UPON THE PROPERTY BY GRANTEE, AT 11:59 P.M., CENTRAL TIME, ON _____, 2125 (THE "*EXPIRATION DATE*"), AT WHICH TIME TITLE TO THE PROPERTY SHALL AUTOMATICALLY REVERT TO GRANTOR (INCLUDING ITS SUCCESSORS, ASSIGNS OR DESIGNEES), WITHOUT THE NECESSITY OF RE-ENTRY, RE-CONVEYANCE, OR SUIT**. The period of time commencing upon the recordation date of this Deed and expiring at 11:59 p.m., Central Time, on the Expiration Date is referred to herein as the "***Ownership Term***".

EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN, IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING CONVEYED HEREUNDER "AS IS" WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS AND WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY GRANTOR. GRANTOR HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY (OTHER THAN GRANTOR'S SPECIAL WARRANTY OF TITLE CONTAINED HEREIN), ITS CONDITION, AND ITS COMPLIANCE WITH APPLICABLE LAWS. GRANTEE AGREES THAT IT IS ACCEPTING THIS INSTRUMENT WITHOUT RELYING (EXCEPT FOR THE SPECIAL WARRANTY OF TITLE) UPON ANY SUCH REPRESENTATIONS, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY GRANTOR OR ANY REPRESENTATIVE OF GRANTOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF GRANTOR WITH RESPECT TO THE PROPERTY BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY. GRANTEE FURTHER AGREES THAT THE PROVISIONS OF THIS SECTION WERE A MATERIAL FACTOR IN

THE GRANTOR'S DETERMINATION OF THE CONSIDERATION FOR THE CONVEYANCE OF THE PROPERTY TO GRANTEE.

Subject to and conditioned upon formal approval by ordinance or resolution of Grantee's governing body authorizing execution and delivery of this instrument, **Grantee knowingly and expressly waives immunity from suit**—but not from liability—solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to determine the parties' rights and obligations under this Deed, and to enforce them by declaratory judgment, temporary or permanent injunctive relief, or specific performance. This waiver does not extend to, and no judgment shall be entered for, money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against Grantee, except to the limited extent expressly authorized by a statute that clearly and unambiguously waives immunity. Notwithstanding anything to the contrary in THIS DEED, GRANTOR and GRANTEE acknowledge and agree that GRANTEE shall not be required to perform any act or to refrain from any act if that performance or non-performance would constitute a violation of the Constitution or laws of the State of Texas.

When the context requires, singular nouns and pronouns include the plural.

EXECUTED effective as of the _____ day of _____, 2026 ("***Effective Date***").

**GRANTOR**:

**SU 560 LAND HOLDINGS I LLC**,
a Texas limited liability company

By: _____

Name:_____

Title:_____

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on _____, 2026, by _____, as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
Notary Public, State of Texas

My Commission Expires:

_____

Exhibits attached to Deed:
Exhibit A – Legal Description of Land
Exhibit B – Permitted Exceptions
Exhibit C – Mineral Reservation

**EXHIBIT A TO DEED**
**PROPERTY**

[See Attached]

**DESCRIPTION OF 1.830 ACRES (79,706 SQ. FT)**

DESCRIPTION OF A 1.830 ACRE (79,706 SQ. FT) TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF A CALLED 105 ACRE TRACT OF LAND "FIRST TRACT" CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), DESCRIBED BY METES AND BOUNDS IN VOLUME 121, PAGE 111, D.R.W.C.T., PART OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, D.R.W.C.T, SAID 1.830 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 105 acre remainder tract, said point being North 29°05'31" West, a distance of 98.65 feet from the southeast corner of said 105 acre tract;

**THENCE**, South 50°21'20" West, leaving the west right-of-way line of said County Road 188 and over and across said 105 acre remainder tract, 82.94 feet, to a calculated point, for the northeast corner and **POINT OF BEGINNING** of the herein described tract**;**

**THENCE,** in part over and across said 105 acre remainder tract, and in part over and across said 76 acre remainder tract, the following seven (7) courses and distances:

1. **South 21° 05' 17" East**, a distance of **141.85** feet, to a calculated point at the beginning of a curve to the right, having a radius of 155.26 feet, from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of said County Road 188 and on the east line of said 76 acre tract, bears North53°42'53" East, 102.09 feet;
2. With said curve to the right, an arc distance of 173.78 feet, through a central angle of 064°07'52" and a chord that bears **South 37° 03' 15" West**, a distance of **164.85** feet to a calculated point;
3. **South 68° 54' 43" West**, a distance of **224.42** feet, to a calculated point;
4. **North 89° 01' 01" West,** a distance of **17.75** feet, to a calculated point, at the beginning of a curve to the left, having a radius of 318.04 feet and the southwest corner of the herein described tract;
5. With said curve to the left, an arc distance of 117.60 feet, through a central angle of 021°11'11" and a chord that bears **North 10° 29' 41" West**, a distance of **116.93** feet to a calculated point;

6. **North 21° 05' 17" West,** a distance of **107.25** feet, to a calculated point, and the northwest corner of the herein described tract; and
7. **North 68° 54' 43" East**, a distance of **359.39** feet, to the **POINT OF BEGINNING**, and containing 1.830 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas State Plane Coordinate System, Grid North, Central Zone (4203), NAD83. All distances shown hereon are surface values represented in U.S. Survey feet based on a surface-to-grid combined adjustment factor of 1.000130000097829.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

Steger & Bizzell Engineering Inc.

04/13/2026

_____

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

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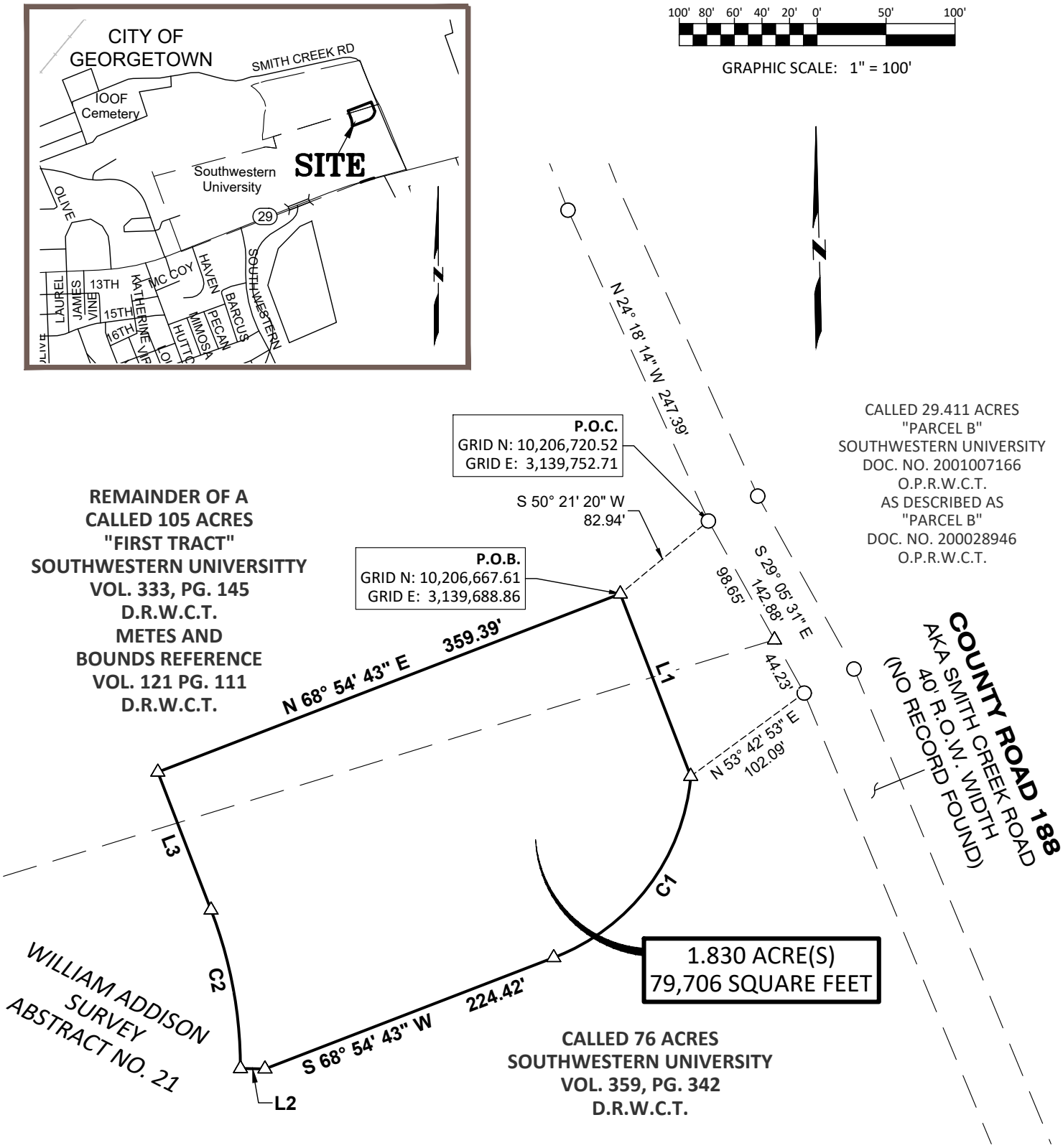
LOCATION MAP 1" = 2000'




1.830 ACRE(S), 79,706 SQ. FT.
WILLIAM ADDISON SURVEY
ABSTRACT NO. 21
City of Georgetown
Williamson County, Texas

STEGER BIZZELL

| | | | |
|---|---|---|---|
| ADDRESS | 1978 S. AUSTIN AVENUE | | GEORGETOWN, TX 78626 |
| METRO | 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 | WEB STEGERBIZZELL.COM |
| SERVICES | >>ENGINEERS >>PLANNERS >>SURVEYORS | | |

DATE 04/13/2026 JOB NO. 22948 SHEET 1 OF 2

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# LEGEND

| | |
|---|---|
| ——— | SUBJECT EASEMENT BOUNDARY LINE |
| — — — — | PROPERTY ADJOINER LINE |
| ○ | IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET |
| △ | CALCULATED POINT |
| VOL./PG. | VOLUME, PAGE |
| P.O.B. | POINT OF BEGINNING |
| P.O.C. | POINT OF COMMENCEMENT |
| O.P.R.W.C.T. | OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS |
| D.R.W.C.T. | DEED RECORDS OF WILLIAMSON COUNTY, TEXAS |
| R.O.W. | RIGHT-OF-WAY |
| DOC. NO. | DOCUMENT NUMBER |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L1 | S 21°05'17" E | 141.85' |
| L2 | N 89°01'01" W | 17.75' |
| L3 | N 21°05'17" W | 107.25' |

**Curve Table**

| Curve # | Length | Radius | Delta | Bearing | Chord |
|---|---|---|---|---|---|
| C1 | 173.78' | 155.26' | 064°07'52" | S 37°03'15" W | 164.85' |
| C2 | 117.60' | 318.04' | 021°11'11" | N 10°29'41" W | 116.93' |

1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000130000097829.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 1.830 ACRES, 79,706 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON November 21, 2025.

DATE OF PLAT OR MAP: April 10, 2026

STEGER & BIZZELL ENGINEERING, INC

04/13/2026

STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700

# 1.830 ACRE(S), 79,706 SQ. FT.
# WILLIAM ADDISON SURVEY
# ABSTRACT NO. 21
# City of Georgetown
# Williamson County, Texas

STEGER BIZZELL
ADDRESS 1978 S. AUSTIN AVENUE GEORGETOWN, TX 78626
METRO 512.930.9412 TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 WEB STEGERBIZZELL.COM
SERVICES >>ENGINEERS >>PLANNERS >>SURVEYORS

DATE 04/13/2026 JOB NO. 22948 SHEET 2 OF 2



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**EXHIBIT B**
**PERMITTED EXCEPTIONS**

1. All easements, rights-of-way, and prescriptive rights, whether of record or not, and all conditions, restrictions, covenants, mineral or royalty interests, mineral reservations, surface waivers, utility conveyances, encumbrances, regulations or orders of municipal and/or other governmental authorities, if any, or other matters of record in Williamson County, Texas, to the extent the same are validly existing and applicable to the Property.

2. The Development and Operations Agreement by and between Grantor and Grantee, as evidenced by that certain Memorandum of Agreement by and between Grantor and Grantee and recorded on or about the date hereof.

3. The Parking Easement by and between Grantor and Grantee.

4. That certain Declaration of Covenants, Conditions and Restrictions for 560 Master Development of even date herewith, recorded in the Official Public Records of Williamson County, Texas, as affected by that certain Agreement Regarding Governance [560 Master Development] of even date herewith by and between Grantor and Grantee (as may be amended or supplemented from time to time, the "***Master Declaration***").

5. Standby fees, taxes and assessments for 2026 and all subsequent years.

## EXHIBIT C
## MINERAL RESERVATION

Grantor reserves to itself and its successors and assigns, all oil, gas and other mineral rights and interests that are not currently outstanding in other parties with respect the Property (the "***Mineral Reservation***"); except that Grantor, on behalf of itself, its successors and assigns, releases and relinquishes all rights of every kind and character whatsoever to enter upon or to use all or any portion of the surface of the Property for any purposes, including without limitation, ingress and egress, exploring, developing, drilling, producing, transporting, mining, treating or storing of any oil, gas and other minerals thereunder or for any purpose relating to exploring, developing, drilling, producing, transporting, mining, treating or storing any oil, gas or other minerals (the "***Surface Waiver***"). The foregoing Surface Waiver shall not restrict or prohibit the pooling or unitization of the mineral estate reserved by the Grantor hereunder with land other than the Property or the exploration or production of the oil, gas and other minerals by means of wells that are drilled or mines that open on land other than the Property but enter under or bottom under the Property (collectively, the "***Pooling and Subsurface Activities***"), provided that these operations are below the Surface and shall not interfere with the Surface or with the subsurface support of any improvements constructed or to be constructed on the Property, or any part thereof. As used herein, the term "***Surface***" shall mean the area between the ground elevation of the Property to a depth of five hundred (500) feet below the ground elevation.

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

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

# PARKING EASEMENT AGREEMENT

This PARKING EASEMENT AGREEMENT (this "**Agreement**") is made and entered into effective as of the ____ day of _____, 2026 (the "**Effective Date**") by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company ("**Grantor**"), and **CITY OF GEORGETOWN,** a Texas home-rule municipal corporation, a political subdivision of the State of Texas ("**Grantee**" or "**City**").

## RECITALS

A. Grantor is the owner of that certain 4.665-acre tract of land more particularly described on **Exhibit A** attached hereto (the "**Easement Parcel**").

B. Pursuant to that certain Special Warranty Deed (Fee Simple with Conditions Subsequent and Right of Reversion) dated effective as of the Effective Date hereof (the "**Deed**"), by and between Grantor and Grantee, Grantor has conveyed to Grantee that certain 1.830-acre tract of land more particularly described on **Exhibit B** attached hereto (the "**Benefitted Parcel**"), subject to the reversionary interest in favor of Grantor. Grantee intends to construct on the Benefitted Parcel a professional, non-medical office building, except that Grantee may also use up to 5,000 square feet on the first floor of the building for retail or professional, non-medical office use, in accordance with the terms and provisions of that certain Development and Operations Agreement of even date herewith (the "**Development Agreement**"), by and between Grantor and Grantee, as evidenced by that certain Memorandum of Agreement between Grantor and Grantee recorded on or about the date hereof.

C. Subject to the terms, provisions and conditions set forth in this Agreement below, Grantor desires to provide to Grantee, for the benefit of Grantee and the Benefitted Parcel, but only for so long as Grantee owns the fee simple estate to the Benefitted Parcel pursuant to the terms set forth in the Deed, an easement over and across the Easement Parcel for purposes of constructing, maintaining, repairing, replacing, accessing and using surface parking lot improvements (the "**Parking Improvements**") on the Easement Parcel, which Easement Parcel and Parking Improvements will be used in common by Grantor and Grantee, except as otherwise set forth in this Agreement.

## AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor and Grantee (collectively, the "**Parties**"), the Parties agree as follows:

## ARTICLE 1.
## DEFINITIONS

The words set forth below, when used in this Agreement, shall have the following meanings:

1.1 **CC&Rs**. That certain Declaration of Covenants, Conditions and Restrictions for 560 Master Development dated _____, 2026, recorded under Document No. _____ in the Official Public Records of Williamson County, Texas, as affected by that certain Agreement Regarding Governance [560 Master Development] of even date herewith by and between Grantor and Grantee, as both may be further amended and supplemented from time to time.

1.2 **Occupant(s)**. Any Person, from time to time, entitled to the use and occupancy of any portion of the Property under any lease, sublease, license, concession or other similar agreement.

1.3 **Owner(s)**. Any Person, which is from time to time, the record owner of fee simple title to any portion of the Property, its successor or assigns.

1.4 **Parcel(s)**. Each of the Easement Parcel and the Benefitted Parcel, and any subdivisions thereof, and any Future Parcels (if any, as set forth in Section 3.3 below). All of the Parcels are sometimes hereinafter collectively referred to as the "**Parcels**".

1.5 **Permittee(s)**. Any Owner, and its Occupants of any portion of a Parcel and/or the improvements located on the Parcel and the respective employees, agents, contractors, licensees, concessionaires, invitees and governing persons of any such Person.

1.6 **Person(s)**. Individuals, partnerships, firms, associations, corporations, trusts, governmental agencies, administrative tribunals or any other form of business or legal entity, as the context may require.

1.7 **Property**. Collectively, the Easement Parcel, the Benefitted Parcel, and any Future Parcels (if any, as set forth in Section 3.3 below).

Those other terms denoted by an initial capital letter and not defined in this Article 1 shall have the meaning ascribed to them elsewhere in this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

## ARTICLE 2.
## PARKING EASEMENT

2.1 **Grant of Easement**. Subject to the terms, provisions and conditions set forth in this Agreement, Grantor does hereby GRANT AND CONVEY to Grantee for the benefit of Grantee and the Benefitted Parcel during the Term (as defined in Section 7.15 below), and for use by Grantee and its Permittees, a non-exclusive easement (the "**Parking Easement**") on, over, across, under, and upon the Easement Parcel, for purposes of construction, maintenance, repair, and replacement, of the Parking Improvements, and for vehicular and pedestrian access to and use of the Parking Improvements by Grantee and it Permittees during the Term (as hereinafter defined) and in accordance with the terms and provisions of this Agreement. Except as set forth herein below, the Parking Easement shall be used in common with Grantor, its Permittees, and any Future Users (as hereinafter defined) as set forth in this Agreement below. No representation or warranty is made by Grantor to Grantee as to the condition or suitability of the Easement Parcel, and the same is accepted by Grantee in its "AS IS", "WHERE IS", condition, and "WITH ALL FAULTS", and without any representation or warranty by Grantor. Grantee acknowledges and agrees that Grantee's use of the Parking Easement shall be in accordance with all applicable laws, ordinances, regulations and restrictions. The Parking Easement described herein is conveyed and reserved subject to any and all other conditions, restrictions, easements, utility lines, encumbrances or other matters affecting the Property (collectively, the "**Permitted Exceptions**"). Any mortgage loans or deeds of trust hereafter obtained by either Party secured in whole or in part by any portion of the Property shall be subordinate to this Agreement.

2.2 **Initial Construction of Parking Improvements**. Concurrently with the initial construction of Grantee's building and related improvements to be located on the Benefitted Parcel as set forth in the Development Agreement, Grantee shall, at its sole cost, expense and liability, install and construct the Parking Improvements within the Easement Parcel in accordance with the terms and conditions set forth in the Development Agreement, the CC&Rs and this Agreement. It is anticipated that the initial Parking Improvements will consist of, among other things, a total of four hundred two (402) parking spaces (the "**Parking Spaces**") located within the Easement Parcel. In addition to the requirement to comply with the Design Standards set forth in the CC&Rs, such improvements shall include and be constructed in accordance with the following standards (collectively with the Design Standards, the "**Improvements Standards**"):

(i) No wheel stops are allowed within the Easement Parcel unless approved by the City of Georgetown's Public Works Director or its designee;

(ii) All curbs shall be standard six inches (6") in height unless approved by the City of Georgetown's Public Works Director or its designee;

(iii) The dimensions of the Non-Exclusive Parking Spaces and Reserved Visitor Parking Spaces, each as hereinafter defined, shall be twenty feet by ten feet (20' x 10');

(iv) The dimensions of the Reserved Parking Spaces, as hereinafter defined, shall be twenty feet by ten feet (20' x 10'), except that two (2) of the Reserved Parking Spaces shall be forty feet by twelve feet (40' x 12');

(v) The Reserved Parking Spaces may be secured by a fence, being up to eight feet (8') in height, and automatic security gate with a minimum twenty-four (24') wide opening; and

(vi) At all times, pedestrian access to and from Grantee's building located on the Benefitted Parcel and the Non-Exclusive Parking Spaces and Reserved Visitor Parking Spaces shall be available and accessible.

2.3 **Characterization of Parking Spaces**. Upon completion of the Parking Improvements within the Easement Parcel, the Parking Spaces shall be allocated and characterized as follows:

(i) Two Hundred Eight-Six (286) Parking Spaces shall be non-exclusive, to be used in common by Grantor and Grantee, their respective Permittees, and any Future Users as set forth below, on a first-come, first-served basis (the "**Non-Exclusive Parking Spaces**");

(ii) Twenty-Five (25) Parking Spaces shall be exclusive and reserved for Grantee for visitor parking during the business hours of 7:00 a.m. to 6:00 p.m. (the "**Reserved Visitor Parking Spaces**"), of which at least two of the Reserved Visitor Parking Spaces will be accessible as required by the Americans with Disability Act and any other federal, State, county, or local law, regulation, or ordinance. During the non-business hours of 6:00 p.m. to 7:00 a.m., the Reserved Visitor Parking Spaces shall be non-exclusive and may be used in common by Grantor and Grantee, their respective Permittees, and any Future Users as set forth below, on a first-come, first-served basis; and

(iii) Ninety-one (91) Parking Spaces shall be exclusive to Grantee and reserved for Grantee's fleet of vehicles (the "**Reserved Parking Spaces**", and together with the Reserved Visitor Parking Spaces, being referred to herein as the "**Exclusive Parking Spaces**").

Grantor and Grantee may, from time to time, upon written agreement between the parties recorded in the Official Public Records of Williamson County, Texas, amend the allocated number and characterization of the Parking Spaces. Except for the Exclusive Parking Spaces, the Parking Easement and rights and privileges herein granted are non-exclusive.

2.4 **Reserved Rights**. Grantor reserves the right to occupy, use, and improve the Easement Parcel for all purposes not inconsistent with, nor interfering with, the rights granted to Grantee herein. Notwithstanding the foregoing, Grantor specifically reserves the following rights and privileges:

(i) Grantor and Grantee acknowledge that the Benefitted Parcel is the first development within that certain 68.768-acre tract of land owned by Grantor, located in the City of Georgetown, Williamson County, Texas, as more particularly described on **Exhibit C** attached hereto (the "**Project**"), which Grantor intends to develop as a mixed-use project. Grantor and Grantee further acknowledge that the Property is subject to the

CC&Rs. Grantor retains all rights as Declarant pertaining to the Easement Parcel under the CC&Rs, including without limitation the right to enter into one or more declarations of reciprocal easements, restrictions, shared parking agreements, parking licenses, utility easements and other agreements, and to plat and re-plat the Easement Parcel (each, a "**Future Encumbrance**"), provided that any such Future Encumbrance does not materially and adversely affect the rights granted to Grantee herein. Grantor further reserves the right to (a) transfer the Easement Parcel to any property owners' association ("**Association**") established pursuant to the CC&Rs or to a designee of the Grantor in its sole discretion, provided, however, that any such transfer shall be in writing and recorded in the Official Public Records of Williamson County, Texas; and/or (b) expressly assign Grantor's rights and delegate Grantor's obligations under this Parking Easement Agreement to an Association or to a designee of the Grantor, in its sole discretion, provided that any such assignment shall be in writing and recorded in the Official Public Records of Williamson County, Texas.

(ii) Grantee and its Permittees shall comply with all policies, rules, and regulations of Grantor, the CC&Rs, and any Future Encumbrances in effect from time to time (collectively, the "**Governing Documents**"), and Grantor shall not amend or supplement such Governing Documents in a manner that materially and adversely affects the rights granted to Grantee herein without the prior written consent of Grantee, which consent shall not be unreasonably withheld, conditioned or delayed.

(iii) Upon completion of the Parking Improvements, all Parking Improvements located within the Easement Parcel shall be the property of Grantor, and Grantor may, from time to time, elect to maintain, repair, and/or replace the Parking Improvements, provided that any such replacement of the Parking Improvements shall be of equivalent or better quality and condition than the then-existing Parking Improvements and in accordance with the Improvements Standards, and further provided that any such maintenance, repair, and/or replacement of the Parking Improvements shall not materially and adversely affect the rights granted to Grantee herein. Replacement of the Parking Improvements may also, in Grantor's reasonable discretion, include structured parking, provided that such structured parking shall not materially and adversely affect the rights granted to Grantee herein. In furtherance of the foregoing, Grantor may elect to construct on the Easement Parcel, or on another location within the Project, a structured parking garage (the "**Garage**") into which the Parking Easement is relocated, in whole or in part, subject to the terms of Section 2.4(vii) below. It is acknowledged that in order to construct the Garage on the Easement Parcel, Grantor will need to temporarily relocate the Parking Easement, subject to the terms of Section 2.4(vii) below, during the time such Garage is being constructed, and then following completion of the Garage relocate the Parking Easement back, in whole or in part, to the Garage then located on the Easement Parcel. Grantor shall have no obligation whatsoever to construct the Garage, provided that if Grantor elects to construct the Garage on the Easement Parcel, then Grantor and Grantee shall work together in good faith to temporarily relocate the Parking Easement to another location within the Project, pursuant to the terms of Section 2.4(vii) below, to permit construction of the Garage on the Easement Parcel.

(iv) Grantee may, from time to time, at Grantee's sole cost and expense, implement and utilize a parking permit system for the Exclusive Parking Spaces. Further,

Grantee may, at Grantee's sole cost and expense, install signage and other improvements, as necessary, to designate Grantee's Exclusive Parking Spaces, subject to the Design Standards set forth in the CC&Rs.

(v) Grantor will not have any obligation to furnish any attendant to park or deliver vehicles, nor shall Grantor have any liability for damage to, or loss or theft of, any vehicles parked on the Easement Parcel or of any contents left in any such vehicles.

(vi) Grantee shall not, without prior written approval of Grantor, have the right to erect or display any signs, or make any alterations, additions, or modifications to the Parking Improvements, except as otherwise set forth in this Agreement.

(vii) With the prior written consent of Grantee, Grantor may from time to time, at Grantor's sole cost and expense, relocate the Parking Easement and Parking Spaces, in whole or in part, to other locations on, over, and across the Project, subject to the terms set forth below. Grantor shall provide Grantee with written notice of its intent to relocate the Easement Parcel and Parking Spaces, in whole or in part, at least ninety (90) days prior to the commencement of any relocation work. Such notice shall include a description of the proposed new easement area, number and characterization of the parking spaces being relocated, and the anticipated timeline for the relocation work. Such relocation shall not reduce the total number of, or change the characterization of, the then-existing Parking Spaces allocated to Grantee. Furthermore, the relocated parking spaces shall be of the same or better quality and condition as the then-existing Parking Spaces (i.e. such relocated parking spaces shall be on asphalt and striped), and shall be in accordance with the Improvements Standards. Upon completion of the relocation work, Grantor shall provide Grantee with an updated survey and legal description of the new easement area. The Parties shall execute an amendment to this Agreement that legally describes the relocated easement area and further describes the number and characterization of the parking spaces located thereon, and such amendment shall be recorded in the Official Public Records of Williamson County, Texas at the sole expense of Grantor.

## ARTICLE 3.
## MAINTENANCE AND OPERATION OF PARKING IMPROVEMENTS

3.1 **Maintenance and Repair**. It is anticipated that Grantee will construct the Parking Improvements on the Easement Parcel prior to Grantor's development of the remaining portions of the Project. Upon completion of the Parking Improvements at Grantee's sole liability, Grantee shall initially be responsible for performing, or causing to be performed, all maintenance, repair, and replacement of the Parking Improvements, including but not limited to the maintenance, repair and replacement of all asphalt and concrete areas, re-striping and resurfacing, lighting and landscaping (if any), as necessary (collectively, the "**Maintenance Obligations**"). Grantee shall perform all work on the Easement Parcel in a good and workmanlike manner, diligently and in a timely manner, and in accordance with all applicable laws, ordinances and regulations. Upon completion of any such activities, Grantee shall promptly remove all surplus materials and will cause the area to be left as nearly as commercially reasonable and practicable in the condition as it existed prior to such maintenance, repair or replacement.

3.2 **Maintenance Costs**. Maintenance of the Easement Parcel shall include all normal and usual costs of ownership, operation, maintenance, repair and replacement, including, without limitation, ad valorem taxes assessed against the Easement Parcel (if any) (collectively, the "**Maintenance Costs**"). Prior to the Maintenance Takeover (as described in Section 3.3 below), all Maintenance Costs incurred in connection with the foregoing shall be paid by Grantee. Grantee shall cause all bills incurred in connection with ownership, operation, maintenance, repair and replacement of the Easement Parcel to be timely paid, and in the event that any lien or claim of lien shall be filed or asserted against the Easement Parcel in connection with any of the foregoing, Grantee shall cause same to be released of record (by bonding or payment), at Grantee's sole cost, within thirty (30) days after the filing or assertion thereof.

3.3 **Maintenance Takeover**.

(i) Notwithstanding the terms of Section 3.2 above, at such time as (i) any portion of the Project is developed with a building located thereon, as evidenced by a certificate of occupancy or the equivalent thereof (a "**Future Parcel**"), and (ii) the Owner and/or Occupant of such Future Parcel (a "**Future User**") is granted the right to park on the Non-Exclusive Parking Spaces located on the Easement Parcel, as evidenced by a recorded instrument setting forth such right and approved by Grantor and Grantee (items (i) and (ii) being collectively referred to herein as the "**Takeover Contingency**"), then Grantor shall issue a written notice to Grantee (the "**Takeover Notice**") stating that Grantor, Grantor's designee or the Association (as applicable, the "**Maintaining Party**") is taking over the Maintenance Obligations under this Agreement, and the Maintenance Costs incurred in performing the Maintenance Obligations shall be shared, on a proportional basis as set forth below, by Grantee and the Future Users (the "**Maintenance Takeover**"). The Takeover Notice shall be recorded in the Official Public Records of Williamson County, Texas.

(ii) Following the Maintenance Takeover, on an annual basis, the Maintaining Party will invoice Grantee and each Future User for its Proportionate Share of the Maintenance Costs and each party shall pay its Proportionate Share of the Maintenance Costs to the Maintaining Party within thirty (30) days following receipt of the invoice. As used herein, "**Proportionate Share**" means such party's Exclusive Share, plus its Non-Exclusive Share. "**Exclusive Share**" means the percentage obtained by dividing (A) the total number of exclusive Parking Spaces allocated to such party by (B) the total number of Parking Spaces located within the Easement Parcel. "**Non-Exclusive Share**" means the percentage obtained by dividing (C) the remaining percentage of the Maintenance Costs not otherwise designated as an "Exclusive Share" by (D) the total number of Parcels using the Non-Exclusive Parking Spaces. By way of example only, if one Future Parcel is granted the right to use the Non-Exclusive Parking Spaces, then Grantee's Proportionate Share will be 64.5% and the other Future Parcel's Proportionate Share will be 35.5%. Grantee's Proportionate Share will have been determined by adding its Exclusive Share (i.e. 116 Exclusive Parking Spaces / 402 total Parking Spaces = 29%) with its Non-Exclusive Share (i.e. 71% / 2 Parcels utilizing the Non-Exclusive Parking Spaces = 35.5%).

(iii) Notwithstanding anything herein to the contrary, Grantor shall have the right at any time to (x) issue the Takeover Notice to Grantee and elect to take over the Maintenance Obligations under this Agreement as set forth herein, and/or (y) elect to

convey and/or transfer the Easement Parcel and/or the Maintenance Obligations hereunder to Grantor's designee or to the Association as set forth herein. Furthermore, if at the time the Takeover Notice is issued, Grantor, Grantee, and any Future User (if applicable) reasonably determine that (A) it would be most beneficial for Grantee or any such Future User to perform the Maintenance Obligations hereunder, and/or (B) each parties' respective proportionate share of the Maintenance Costs should be calculated differently than as set forth in Section 3.3(ii) above, then at such time, Grantor, Grantee, and any such Future User (if applicable) shall enter into an amendment to this Agreement setting forth which party shall perform the Maintenance Obligations hereunder and granting such party the right to invoice the other parties for their respective proportionate shares of the Maintenance Costs incurred in performing the Maintenance Obligations, and further specifying how each parties respective proportionate shares of the Maintenance Costs shall be calculated if not pursuant to the terms set forth in Section 3.3(ii) above.

## ARTICLE 4.
## INSURANCE

4.1 **Insurance**. Prior to the Maintenance Takeover, Grantee shall maintain, or cause to be maintained, commercial general liability insurance insuring against claims on account of lost life, bodily injury or property damage that may arise from, or be occasioned by its use of the Easement Parcel pursuant to the Parking Easement set forth in this Agreement, or caused by Grantee, or caused by those persons for whose acts and omissions Grantee is legally liable. Grantee shall obtain an insurance policy, according to the provisions hereof, covering its obligations hereunder from a reputable insurance company or companies qualified to issue policies in the State of Texas and that is rated by A.M. Best Company not less than "A-"; and each such policy of insurance shall have limits for loss of life or bodily injury in amounts of not less than One Million Dollars ($1,000,000.00) with respect to injury or death of a single person, (ii) to the limit of not less than Two Million Dollars ($2,000,000.00) in the aggregate, and (iii) to the limit of One Million Dollars ($1,000,000.00) with respect to property damage. Such insurance may be carried under a "blanket" policy or "blanket" policies covering other properties of Grantee and may be subject to such self-insured retentions or deductibles, not to exceed $25,000.00, as Grantee may desire. Grantee shall furnish to Grantor one or more certificates of insurance evidencing the existence of the insurance required above and naming Grantor and any mortgagee of Grantor whose name has been provided to Grantee, as an additional insured. Such policies shall provide for at least thirty (30) days prior written notice of modification (including cancellation) to Grantor. Following the Maintenance Takeover, the Maintaining Party shall maintain, or cause to be maintained, insurance in accordance with the terms hereof and the costs incurred with respect to such insurance shall be a Maintenance Costs as described herein.

## ARTICLE 5.
## REMEDIES

5.1 **Self Help and Other Remedies**. If any Party defaults in the performance of its obligations hereunder and the default is not cured within thirty (30) days following delivery of written notice to such defaulting Party (or if such cure cannot reasonably be performed within thirty (30) days, then if such cure is not commenced within thirty (30) days following delivery of written notice and thereafter completed with reasonable diligence), then the non-defaulting Party

shall have the right to (i) perform such obligation on behalf of the defaulting Party, in which event such defaulting Party shall reimburse such non-defaulting Party for all amounts expended by the non-defaulting Party on behalf of the defaulting Party, together with interest thereon at the rate of the lesser of (a) eighteen percent (18%) per annum, or (b) the maximum amount permitted by law, from the date the amounts are expended until the date repaid; and/or (ii) exercise any other rights or remedies available to the non-defaulting Party either at law or in equity, including without limitation termination of this Agreement. Each defaulting Party agrees to execute any applications for permits or other documents required by the non-defaulting Party or any other third party in order to perform the obligations of the defaulting Party.

5.2 **Non-Waiver**. No delay or omission of any Party hereto in the exercise of any rights created hereunder shall impair such right, or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of an event of default hereunder. A waiver by any Party hereto of a breach of, or default in, any of the terms and conditions of this Agreement by the other Party shall not be construed to be a waiver of any subsequent breach thereof or of any other provision of this Agreement. Except as otherwise specifically provided in this Agreement, no remedy provided in this Agreement shall be exclusive, but shall be cumulative with all other remedies provided for in this Agreement and all other remedies at law or in equity which are available to the Parties. Notwithstanding anything to the contrary set forth herein, in no event shall either Party be liable hereunder for consequential, special or punitive damages of the other Party, and such consequential, special and punitive damages are hereby waived.

## ARTICLE 6.
## NOTICES

All notices, demands, statements, and requests (collectively the "**Notice**") required or permitted to be given under this Agreement must be in writing and shall be deemed to have been properly given or served as of the date hereinafter specified: (i) on the date of personal service upon the Party to whom the notice is addressed or if such Party is not available the date such notice is left at the address of the Party to whom it is directed, (ii) on the date that is three (3) business days after the notice is postmarked by the United States Post Office, provided it is sent prepaid, registered or certified mail, return receipt requested, and (iii) on the date the notice is delivered by a courier service (including Federal Express, Express Mail, Lone Star or similar operation) to the address of the Party to whom it is directed, provided it is sent prepaid, with confirmation of delivery requested. The addresses of the signatories to this Agreement are set forth below:

If to Grantor: SU 560 Land Holdings I LLC
c/o Southwestern University
1001 E. University Avenue
Georgetown, Texas 78627
Attention: Laura S. Trombley

| | |
|---|---|
| With copies to: | Jackson Walker LLP<br>1401 McKinney Street, Suite 1900<br>Houston, Texas 77010<br>Attention: Marisela Peña |
| If to Grantee: | City of Georgetown<br>808 Martin Luther King Street<br>Georgetown, Texas 78626<br>Attention: David Morgan, City Manager |
| With copies to: | City of Georgetown<br>808 Martin Luther King Street,<br>Georgetown Texas, 78626<br>Attn: Skye Masson, City Attorney |

## ARTICLE 7.
## GENERAL PROVISIONS

7.1 **Binding Effect**. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto, as well as the successors and assigns of such Persons. The easement shall be appurtenant to the Benefitted Parcel and for the benefit of the Owners and Occupants thereof, and their respective successors and assigns and shall run with the land. This Agreement shall be construed in accordance with the laws of the State of Texas and all obligations hereunder are performable in Williamson County, Texas.

7.2 **Partial Invalidity**. If any term, covenant or condition of this Agreement or the application of it to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to Persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and shall be enforced to the extent permitted by law.

7.3 **Captions**. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants or conditions contained herein.

7.4 **Gender**. In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

7.5 **Relationship of the Parties**. Nothing contained herein shall be construed to make the parties hereto partners or joint venturers, or render any of such parties liable for the debts or obligations of the other party hereto. Nothing in this Agreement shall be construed to cause any Permittee to hold the status of a third-party beneficiary of this Agreement such that it may enforce this Agreement on its own behalf.

7.6 **Amendment**. This Agreement may be canceled, changed, modified or amended in whole or in part only by the written and recorded agreement of Grantee and the Owner of the

Easement Parcel, and if applicable, consented to by the Owner of a Future Parcel if such amendment increases such Future User's Proportionate Share or causes a reduction in the number of parking spaces such Future User is permitted to use.

7.7 **No Dedication**. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Easement Parcel to the general public or for the general public or for any public purpose whatsoever except as with respect to Grantee's use as provided herein in its capacity as a political subdivision in furtherance of its public purposes, it being the intention that this Agreement shall be strictly limited to and for the purposes herein expressed. This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not specifically benefited by the terms and provisions hereof, nor are any rights granted to a party hereunder assignable to any third party.

7.8 **Division of Property**. If any Parcel is hereafter divided into two or more parts by separation of ownership, each portion of such Parcel shall enjoy the benefits and be subject to the burdens, as applicable, of the rights, easements and restrictions created hereby.

7.9 **Estoppel Certificates**. Upon the request of any Party hereto, the other Party shall issue to any party designated by the requesting Party an appropriate certificate certifying whether the Party to whom the request is made knows of any default under this Agreement or of any assignment, modification or amendment to this Agreement (and the nature and extent of any such default or other known matter) and whether, to that Party's knowledge, this Agreement is in full force and effect. The certificate may be relied upon by a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary and shall constitute a waiver of any claim by the certifying Party based upon facts contrary to the certificate of which that Party had knowledge at the time of making the certificate. The certificate shall not subject the Party furnishing the certificate to any liability for any inaccurate statement which such Party in good faith believed was correct when made or any obligation to correct or disclose any change in the information certified.

7.10 **Counterparts**. This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute but one Agreement.

7.11 **Attorneys Fees**. In the event any legal action or proceeding for the enforcement of any right or obligations herein contained is commenced, the prevailing party in such action or proceeding shall be entitled to recover its costs and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding.

7.12 **Exhibits**. Each exhibit attached to this Easement is hereby incorporated into and made a part of this Agreement.

7.13 **Sovereign Immunity; Capacity; Limited Waiver; Remedies; Authority**.

(i) *Capacity of Grantee*. Grantee shall be deemed a "Lessee" under the CC&Rs and shall be bound by, and shall comply with, all covenants, conditions, restrictions, assessments, easements, architectural standards, maintenance obligations, and other provisions of the CC&Rs applicable to Lessees, except as expressly modified or pre-approved in writing by the parties.

(ii) *No General Waiver; Construction Against Implied Waiver*. Grantor and Grantee expressly recognize that, under Texas law, sovereign or governmental immunity is not waived except by clear and unambiguous legislative permission. Nothing in this Agreement or the CC&Rs shall be construed as a general or implied waiver of sovereign or governmental immunity by Grantee.

(iii) *Contract for Goods and Services.* The parties agree that this Agreement is a subject to Subchapter I, Chapter 271, Texas Local Government Code (the "**Provision**"), as amended from time to time. In addition to the limited waiver set forth in subsection 7.13(iv) below, **Grantee knowingly and expressly waives immunity from suit and liability to the extent that this Agreement or any of the Documents falls under the Provision**.

(iv) *Limited and Express Waiver for Enforcement of Covenants*. **Grantee knowingly and expressly waives immunity from suit, but not from liability except as expressly provided herein**, solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to: (i) determine the parties' respective rights and obligations under this Agreement and any other applicable agreements between Grantee and Grantor (collectively, the "**Documents**") as they pertain to the Benefitted Parcel and the Easement Parcel; and (ii) enforce compliance with the Documents as to such Grantee-owned Benefitted Parcel and the Easement Parcel by means of declaratory and injunctive relief and specific performance. This limited waiver does not extend to any claim for money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against Grantee **except to the extent** such relief is expressly authorized by statute that clearly and unambiguously waives immunity, and then only to the extent of such statutory authorization.

(v) *Venue; Jurisdiction*. Any permitted action against Grantee arising out of or relating to the Documents shall be brought exclusively in a state district court of competent jurisdiction sitting in the county in Texas where the Benefitted Parcel is located.

(vi) **PROHIBITION ON VIOLATION OF STATE LAW AND CONSTITUTION**. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, GRANTOR AND GRANTEE ACKNOWLEDGE AND AGREE THAT GRANTEE SHALL NOT BE REQUIRED TO PERFORM ANY ACT OR TO REFRAIN FROM ANY ACT IF THAT PERFORMANCE OR NON-PERFORMANCE WOULD CONSTITUTE A VIOLATION OF THE CONSTITUTION OR LAWS OF THE STATE OF TEXAS.

7.14 **Assignment**. Grantee shall not assign this Agreement without the prior written consent of Grantor.

7.15 **Term of Agreement**. This Agreement, and the Parking Easement granted herein, shall remain in full force and effect during that period of time commencing on the Effective Date of this Agreement and ending on that date that is the earlier of: (i) expiration of the Ownership Term as set forth in the Deed, or (ii) upon the retaking of the Benefitted Parcel by Grantor due to a Reversionary Right in favor of Grantor as set forth in the Deed, or (iii) this Agreement is terminated by mutual, written agreement of the Owner of the Easement Parcel, Grantee and, if applicable, consented to by the Owner of a Future Parcel if such Future Parcel is benefitted by the Easement Parcel (the "**Term**"). Within three (3) business days after the expiration of the

Term or earlier termination of this Agreement and the Parking Easement, Grantee shall, without charge to Grantor, promptly execute, acknowledge and deliver to Grantor a release of this Agreement and the Parking Easement, in the form attached hereto as **Exhibit D**, which release shall be recorded by Grantor in the Official Public Records of Williamson County, Texas.

[Signature and Notary Pages Follow]

**EXECUTED** effective the date first written above.

**GRANTOR**:

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as _____ of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas
My Commission Expires:_____

[Signature and acknowledgment of Grantee follows on next page.]

**GRANTEE:**

**CITY OF GEORGETOWN,**
a Texas home-rule municipal corporation

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed and in his/her capacity as _____ of City of Georgetown, a Texas home-rule municipal corporation, a political subdivision of the State of Texas, on behalf of said home-rule municipal corporation.

Given under my hand and seal of office this the _____ day of _____ 202_.

_____
Notary Public in and for the State of Texas
My Commission Expires: _____

**After recording return to**:
City of Georgetown
808 Martin Luther King Street
Georgetown, Texas 78626
Attention: David Morgan, City Manager

**EXHIBIT A**
**EASEMENT PARCEL**

**[SEE ATTACHED]**

**DESCRIPTION OF 4.665 ACRES (203,210 SQ. FT.)**

DESCRIPTION OF 4.665 ACRES (203,210 SQ. FT.) OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF A CALLED 105 ACRE TRACT OF LAND "FIRST TRACT" CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), DESCRIBED BY METES AND BOUNDS IN VOLUME 121, PAGE 111, D.R.W.C.T., SAID 4.665 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED IN TWO PARTS BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 105 acre remainder tract, said point being North 29°05'31" West, a distance of 98.65 feet from the southeast corner of said 105 acre tract, and the northeast corner of a called 76 acre tract conveyed to Southwestern University in Volume 359, Page 342, D.R.W.C.T.;

**THENCE**, North 74°51'29" West, leaving the west right-of-way line of said County Road 188 and over and across said 105 acre remainder tract, 97.44 feet, to a calculated point, for the southeast corner and **POINT OF BEGINNING** of the herein described tract;

**THENCE,** continuing over and across said 105 acre remainder tract, the following twenty-three (23) courses and distances:

1. **South 68° 54' 43" West**, a distance of **582.35** feet, to a calculated point, for the southwest corner of the herein described tract;
2. **North 21°05'17" West,** a distance of **402.50** feet, to a calculated point, for the northwest corner of the herein described tract;
3. **North 68°54'43" East,** a distance of **23.00** feet, to a calculated point;
4. **North 21° 05' 17 "West,** a distance of **24.00** feet, to a calculated point;
5. **North 68° 54' 43 "East,** a distance of **65.00** feet, to a calculated point;
6. **South 21° 05' 17 "East,** a distance of **20.00** feet, to a calculated point;
7. **North 68° 54' 43 "East,** a distance of **25.00** feet, to a calculated point;
8. **North 21° 05' 17" West**, a distance of **20.00** feet, to a calculated point;
9. **North 68° 54' 43" East**, a distance of **38.50** feet, to a calculated point;
10. **North 21° 05' 19" West**, a distance of **3.50** feet, to a calculated point;
11. **North 68° 54' 43" East**, a distance of **37.02** feet, to a calculated point;

12. **South 21° 05' 17 "East,** a distance of **24.11** feet, to a calculated point and at the beginning of a curve to the right, having a radius of 51.50 feet;
13. With said curve to the right, an arc distance of 31.84 feet, through a central angle of 035°25'09" and a chord that bears **South 84° 31' 04" East**, a distance of **31.33** feet, to a calculated point;
14. **South 66° 48' 29" East**, a distance of **17.01** feet, to a calculated point and at the beginning of a curve to the left, having a radius of 47.50 feet;
15. With said curve to the left, an arc distance of 18.18 feet, through a central angle of 021°55'25" and a chord that bears **South 77° 46' 12" East**, a distance of **18.06** feet, to a calculated point;
16. **North 68° 58' 03" East**, a distance of **94.68** feet, to a calculated point;
17. **North 21° 05' 17" West**, a distance of **11.02** feet, to a calculated point;
18. **North 68° 54' 43" East**, a distance of **141.00** feet, to a calculated point, for the northeast corner of the herein described tract, from which point a cotton spindle with washer stamped "STEGER BIZZELL" set on the south and west right-of-way line of County Road 188, bears North 25°20'36" East, 227.83 feet;
19. **South 21° 05' 19" East**, a distance of **224.00** feet, to a calculated point;
20. **North 68° 54' 43" East**, a distance of **34.00** feet, to a calculated point;
21. **South 21° 05' 17" East**, a distance of **40.00** feet, to a calculated point;
22. **North 68° 54' 43" East**, a distance of **68.85** feet, to a calculated point; and
23. **South 21° 05' 17" East**, a distance of **117.00** feet, to the **POINT OF BEGINNING**, and containing 4.665 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are surface values represented in U.S. Survey feet based on a grid-to-surface combined adjustment factor of 1.000133602065127.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

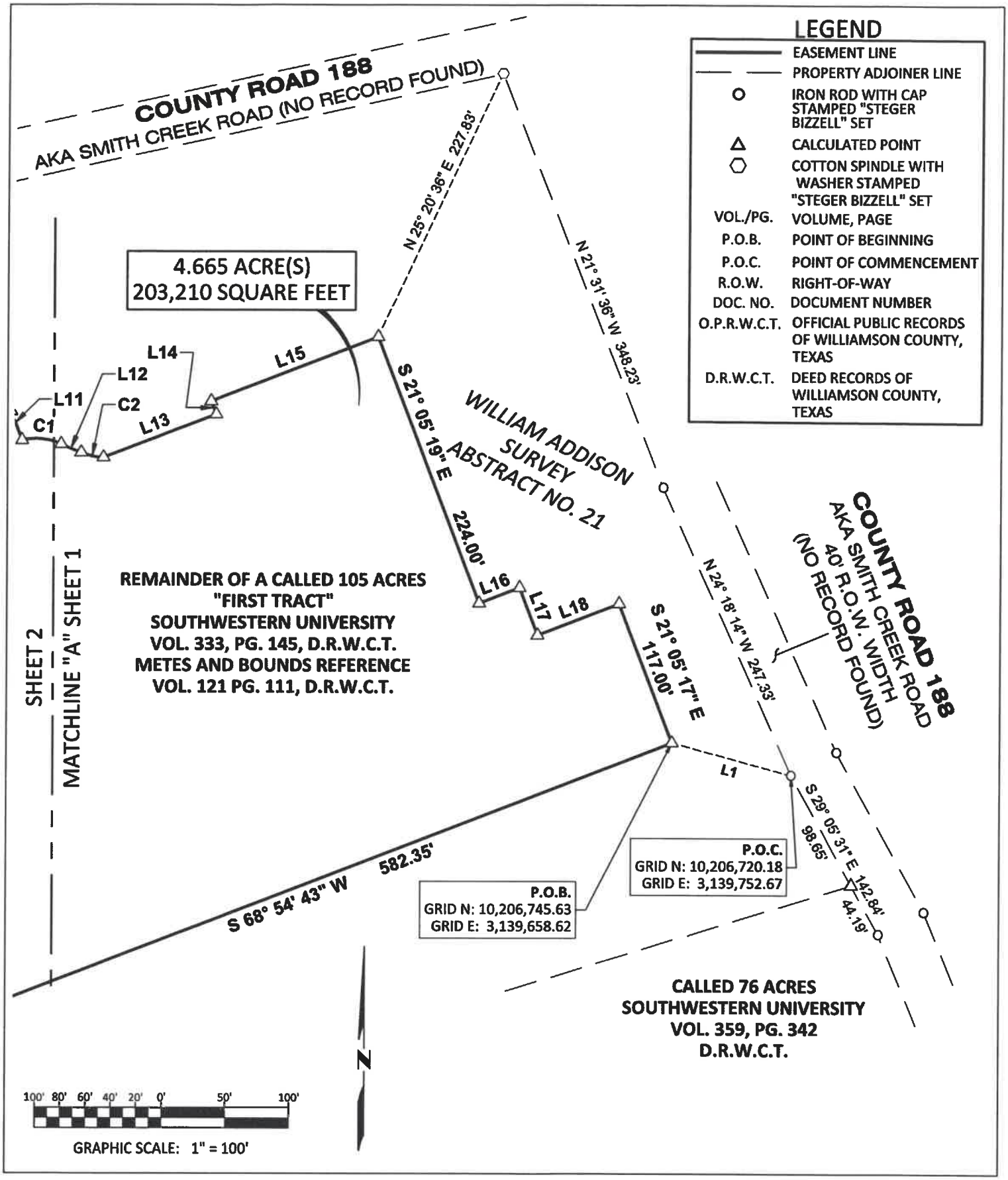
CHA

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

5-19-26

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

V:\Projects\GTX147\Projects\22000-22999\22948 SU 550\Survey Data\Descriptions\22948-DESC-(ORANGE)revised.docx

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1978 S. Austin Avenue
Georgetown, TX 78626
512.930.9412 . www.chasolutions.com
FIRM REG. # 10195013

# 4.665 ACRE PARKING LOT

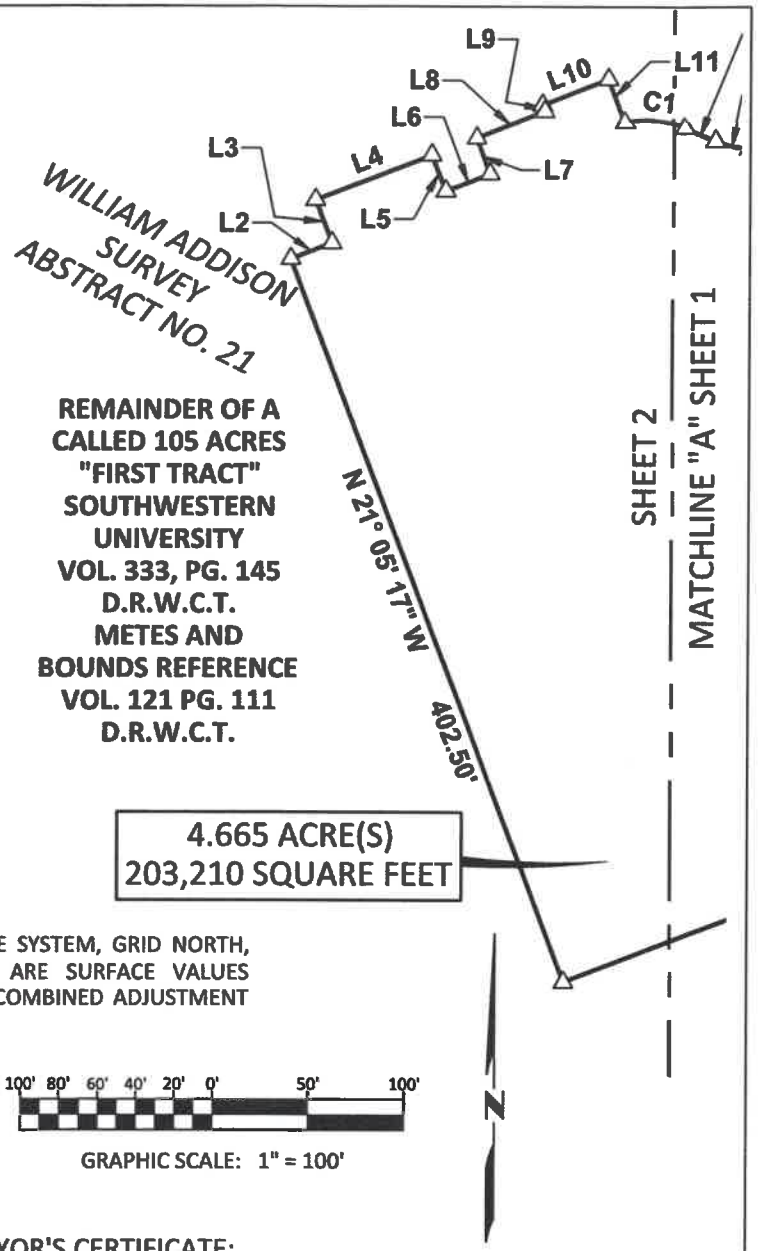
## WILLIAM ADDISON SURVEY, ABSTRACT NO. 21
## CITY OF GEORGETOWN,
## WILLIAMSON COUNTY, TEXAS

| Drawn By: | Checked By: |
|---|---|
| NB | DV |
| Project No.: | Scale: |
| 22948 | 1" = 100' |

Sheet 1 of 2

| Line Table | | | Line Table | | |
|---|---|---|---|---|---|
| Line # | Direction | Length | Line # | Direction | Length |
| L1 | N 74°51'29" W | 97.44' | L10 | N 68°54'43" E | 37.02' |
| L2 | N 68°54'43" E | 23.00' | L11 | S 21°05'17" E | 24.11' |
| L3 | N 21°05'17" W | 24.00' | L12 | S 66°48'29" E | 17.01' |
| L4 | N 68°54'43" E | 65.00' | L13 | N 68°58'03" E | 94.68' |
| L5 | S 21°05'17" E | 20.00' | L14 | N 21°05'17" W | 11.02' |
| L6 | N 68°54'43" E | 25.00' | L15 | N 68°54'43" E | 141.00' |
| L7 | N 21°05'17" W | 20.00' | L16 | N 68°54'43" E | 34.00' |
| L8 | N 68°54'43" E | 38.50' | L17 | S 21°05'17" E | 40.00' |
| L9 | N 21°05'19" W | 3.50' | L18 | N 68°54'43" E | 68.85' |

| Curve Table | | | | | |
|---|---|---|---|---|---|
| Curve # | Length | Radius | Delta | Bearing | Chord |
| C1 | 31.84' | 51.50' | 035°25'09" | S 84°31'04" E | 31.33' |
| C2 | 18.18' | 47.50' | 021°55'25" | S 77°46'12" E | 18.06' |

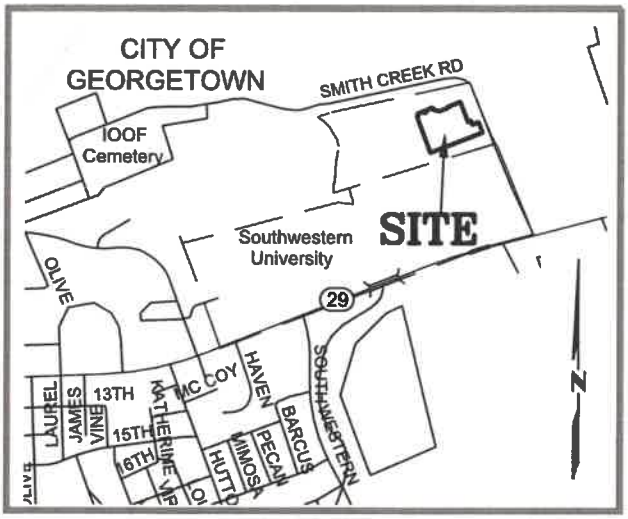



1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000133602065127.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 4.665 ACRES, 203,210 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

100' 80' 60' 40' 20' 0' 50' 100'

GRAPHIC SCALE: 1" = 100'

LOCATION MAP 1" = 2000'




## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON November 21, 2025.

DATE OF PLAT OR MAP: May 18, 2026

CHA

5-19-26

PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700

STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

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512.930.9412 . www.chasolutions.com
FIRM REG. # 10195013

# 4.665 ACRE PARKING LOT

## WILLIAM ADDISON SURVEY, ABSTRACT NO. 21
## CITY OF GEORGETOWN,
## WILLIAMSON COUNTY, TEXAS

| Drawn By: | Checked By: |
|---|---|
| NB | DV |
| Project No.: | Scale: |
| 22948 | 1" = 100' |

**EXHIBIT B**
**BENEFITTED PARCEL**

**[SEE ATTACHED]**

**DESCRIPTION OF 1.830 ACRES (79,706 SQ. FT)**

DESCRIPTION OF A 1.830 ACRE (79,706 SQ. FT) TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE REMAINDER OF A CALLED 105 ACRE TRACT OF LAND "FIRST TRACT" CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (D.R.W.C.T.), DESCRIBED BY METES AND BOUNDS IN VOLUME 121, PAGE 111, D.R.W.C.T., PART OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, D.R.W.C.T, SAID 1.830 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN NOVEMBER, 2025, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of County Road 188, also known as Smith Creek Road, being a 40 foot wide right-of-way (no record found), same being the east line of said 105 acre remainder tract, said point being North 29°05'31" West, a distance of 98.65 feet from the southeast corner of said 105 acre tract;

**THENCE**, South 50°21'20" West, leaving the west right-of-way line of said County Road 188 and over and across said 105 acre remainder tract, 82.94 feet, to a calculated point, for the northeast corner and **POINT OF BEGINNING** of the herein described tract**;**

**THENCE,** in part over and across said 105 acre remainder tract, and in part over and across said 76 acre remainder tract, the following seven (7) courses and distances:

1. **South 21° 05' 17" East**, a distance of **141.85** feet, to a calculated point at the beginning of a curve to the right, having a radius of 155.26 feet, from which point a 1/2-inch iron rod with cap stamped "STEGER BIZZELL" set on the west right-of-way line of said County Road 188 and on the east line of said 76 acre tract, bears North53°42'53" East, 102.09 feet;
2. With said curve to the right, an arc distance of 173.78 feet, through a central angle of 064°07'52" and a chord that bears **South 37° 03' 15" West**, a distance of **164.85** feet to a calculated point;
3. **South 68° 54' 43" West**, a distance of **224.42** feet, to a calculated point;
4. **North 89° 01' 01" West,** a distance of **17.75** feet, to a calculated point, at the beginning of a curve to the left, having a radius of 318.04 feet and the southwest corner of the herein described tract;
5. With said curve to the left, an arc distance of 117.60 feet, through a central angle of 021°11'11" and a chord that bears **North 10° 29' 41" West**, a distance of **116.93** feet to a calculated point;

6. **North 21° 05' 17" West,** a distance of **107.25** feet, to a calculated point, and the northwest corner of the herein described tract; and
7. **North 68° 54' 43" East**, a distance of **359.39** feet, to the **POINT OF BEGINNING**, and containing 1.830 acres of land, more or less, within these metes and bounds.

Bearings are based on the Texas State Plane Coordinate System, Grid North, Central Zone (4203), NAD83. All distances shown hereon are surface values represented in U.S. Survey feet based on a surface-to-grid combined adjustment factor of 1.000130000097829.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

The subject tracts are easements, monuments were not set for corners.

I certify that this description was prepared from a survey made on the ground in November, 2025, under my supervision.

Steger & Bizzell Engineering Inc.

04/13/2026

_____

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10195013

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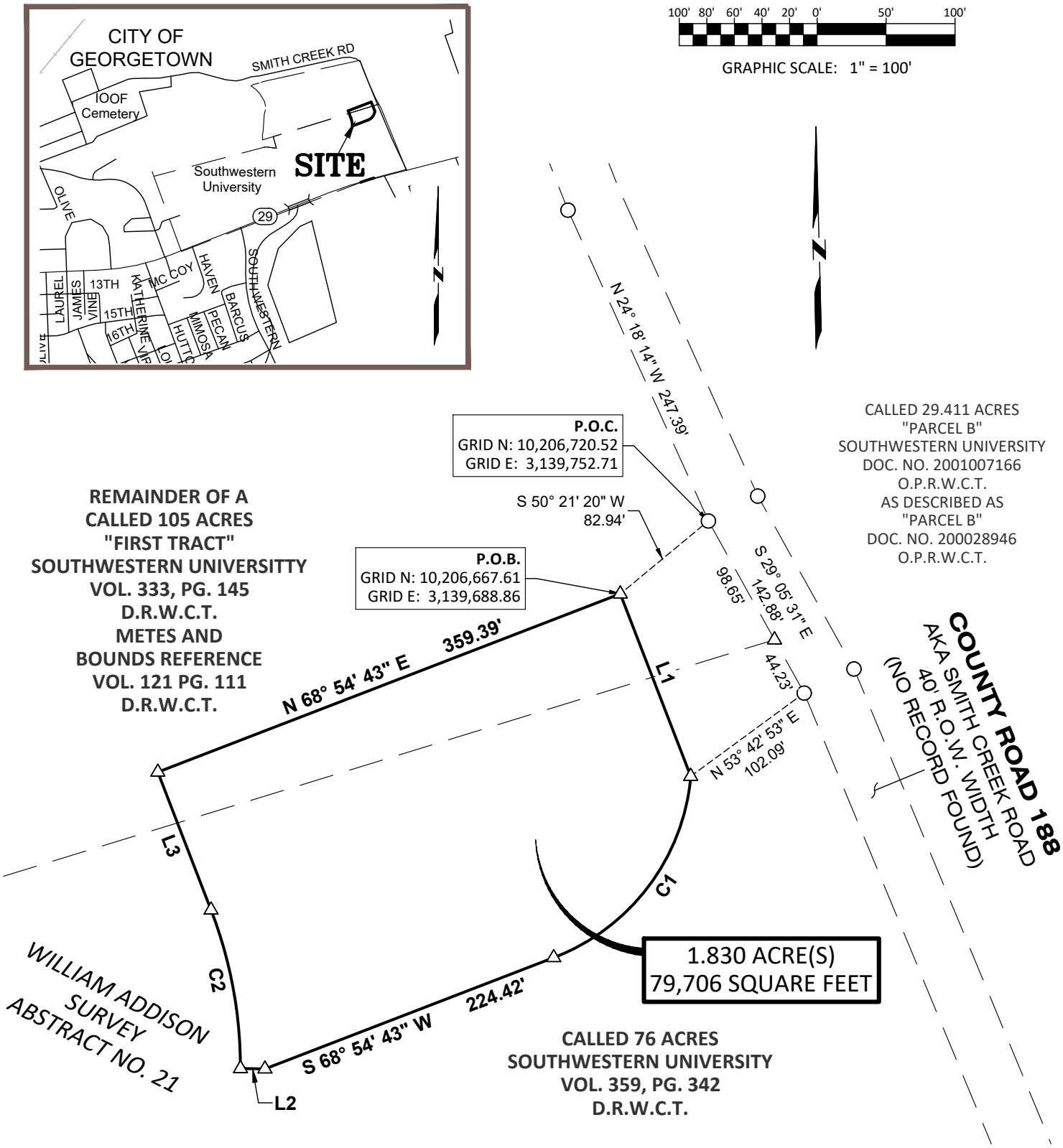
LOCATION MAP 1" = 2000'




1.830 ACRE(S), 79,706 SQ. FT.
WILLIAM ADDISON SURVEY
ABSTRACT NO. 21
City of Georgetown
Williamson County, Texas

STEGER BIZZELL

| | | | |
|---|---|---|---|
| ADDRESS | 1978 S. AUSTIN AVENUE | | GEORGETOWN, TX 78626 |
| METRO | 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 | WEB STEGERBIZZELL.COM |
| SERVICES | >>ENGINEERS >>PLANNERS >>SURVEYORS | | |

DATE 04/13/2026 JOB NO. 22948 SHEET 1 OF 2

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# LEGEND

| | |
|---|---|
| ——— | SUBJECT EASEMENT BOUNDARY LINE |
| — — — — | PROPERTY ADJOINER LINE |
| ○ | IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET |
| △ | CALCULATED POINT |
| VOL./PG. | VOLUME, PAGE |
| P.O.B. | POINT OF BEGINNING |
| P.O.C. | POINT OF COMMENCEMENT |
| O.P.R.W.C.T. | OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS |
| D.R.W.C.T. | DEED RECORDS OF WILLIAMSON COUNTY, TEXAS |
| R.O.W. | RIGHT-OF-WAY |
| DOC. NO. | DOCUMENT NUMBER |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L1 | S 21°05'17" E | 141.85' |
| L2 | N 89°01'01" W | 17.75' |
| L3 | N 21°05'17" W | 107.25' |

**Curve Table**

| Curve # | Length | Radius | Delta | Bearing | Chord |
|---|---|---|---|---|---|
| C1 | 173.78' | 155.26' | 064°07'52" | S 37°03'15" W | 164.85' |
| C2 | 117.60' | 318.04' | 021°11'11" | N 10°29'41" W | 116.93' |

1. ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE, (4203), NAD83, ALL DISTANCES SHOWN HERON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.000130000097829.
2. SEE ATTACHED METES AND BOUNDS DESCRIPTION.
3. OVERALL AREA 1.830 ACRES, 79,706 SQUARE FEET
4. NO MONUMENTS SET FOR THIS EASEMENT.

## SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION. THE FIELD WORK WAS COMPLETED ON November 21, 2025.

DATE OF PLAT OR MAP: April 10, 2026

STEGER & BIZZELL ENGINEERING, INC

04/13/2026

STATE OF TEXAS REGISTERED PATRICK J. STEVENS 5784 PROFESSIONAL LAND SURVEYOR

PATRICK J. STEVENS, R.P.L.S.
TEXAS REG. NO. 5784
1978 S. AUSTIN AVE
GEORGETOWN, TEXAS
PHONE 512.930.9412
TBPELS FIRM REG. # 10003700

# 1.830 ACRE(S), 79,706 SQ. FT.
# WILLIAM ADDISON SURVEY
# ABSTRACT NO. 21
# City of Georgetown
# Williamson County, Texas

STEGER BIZZELL
ADDRESS 1978 S. AUSTIN AVENUE GEORGETOWN, TX 78626
METRO 512.930.9412 TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No.10003700 WEB STEGERBIZZELL.COM
SERVICES >>ENGINEERS >>PLANNERS >>SURVEYORS

DATE 04/13/2026 JOB NO. 22948 SHEET 2 OF 2



V:\Projects\GTX147\Projects\22000-22999\22948 SU 550\Survey Data\CAD\22948-COG PROPERTY(RED).dwg, 4/13/2026 3:12:09 PM, AutoCAD PDF (General Documentation).pc3

**EXHIBIT C**
**PROJECT**

**[SEE ATTACHED]**

## DESCRIPTION OF 68.768 ACRES

DESCRIPTION OF A 68.768 ACRE TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING PART OF A CALLED 105 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (DR), BEING DESCRIBED IN VOLUME 121, PAGE 111, DR, PART OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, DR, PART OF A CALLED 25.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY BY DEED, OF RECORD IN VOLUME 333, PAGE 145, DR, BEING DESCRIBED IN VOLUME 129, PAGE 11, DR, AND PART OF A CALLED 11.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, BEING DESCRIRBED IN VOLUME 183, PAGE 588, DR, SAID 68.768 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN JULY AND AUGUST, 2023, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT-OF -WAY OF STATE HIGHWAY NO 29, ALSO KNOWN AS UNIVERSITY AVENUE, A VARIABLE WIDTH RIGHT-OF-WAY, SAME BEING A SOUTHWESTERLY CORNER AND **POINT OF BEGINNING** OF THE HEREIN DESCRIBED TRACT;

**THENCE,** OVER AND ACROSS THE AFOREMENTIONED SOUTHWESTERN UNIVERSITY TRACTS, WITH THE CENTERLINE OF SAID SMITH BRANCH, SAME BEING THE WEST LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES:

1. NORTH 20° 48' 17" WEST, A DISTANCE OF 304.96 FEET TO A POINT;
2. NORTH 40° 27' 28" WEST, A DISTANCE OF 226.74 FEET TO A POINT;
3. NORTH 51° 30' 23" WEST, A DISTANCE OF 65.84 FEET TO A POINT;
4. NORTH 42° 32' 02" WEST, A DISTANCE OF 124.49 FEET TO A POINT;
5. NORTH 32° 15' 06" WEST, A DISTANCE OF 173.82 FEET TO A POINT;
6. NORTH 07° 39' 28" WEST, A DISTANCE OF 200.45 FEET TO A POINT;
7. NORTH 02° 35' 22" WEST, A DISTANCE OF 105.98 FEET TO A POINT;
8. NORTH 11° 16' 53" EAST, A DISTANCE OF 51.97 FEET TO A POINT;
9. NORTH 04° 00' 44" EAST, A DISTANCE OF 240.86 FEET TO A POINT;
10. NORTH 13° 38' 23" EAST, A DISTANCE OF 73.47 FEET TO A POINT;
11. NORTH 03° 04' 37" EAST, A DISTANCE OF 51.24 FEET TO A POINT;
12. NORTH 13° 19' 40" WEST, A DISTANCE OF 72.10 FEET TO A POINT;

13. NORTH 31° 00' 39" WEST, A DISTANCE OF 135.95 FEET TO A POINT;
14. NORTH 44° 16' 00" WEST, A DISTANCE OF 85.61 FEET TO A POINT; AND
15. NORTH 53° 22' 14" WEST, A DISTANCE OF 79.63 FEET TO A POINT IN THE SOUTH LINE OF COUNTY ROAD 188, ALSO KNOWN AS SMITH CREEK ROAD, BEING A 40 FOOT WIDE RIGHT-OF-WAY (NO RECORD FOUND), FOR THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE SOUTH LINE OF SAID SMITH CREEK, ROAD THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. NORTH 61° 04' 53" EAST, A DISTANCE OF 47.17 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. NORTH 74° 06' 52" EAST, A DISTANCE OF 173.69 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. NORTH 77° 36' 45" EAST, A DISTANCE OF 1400.60 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE SOUTH AND WEST LINE OF SAID SMITH CREEK ROAD FOR THE NORTHEAST CORNER OF HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE WEST LINE OF SAID SMITH CREEK ROAD THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. SOUTH 21° 31' 36" EAST, A DISTANCE OF 348.32 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. SOUTH 24° 18' 14" EAST, A DISTANCE OF 247.39 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
3. SOUTH 29° 05' 31" EAST, A DISTANCE OF 142.88 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
4. SOUTH 22° 32' 01" EAST, A DISTANCE OF 363.29 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
5. SOUTH 21° 57' 06" EAST, A DISTANCE OF 258.94 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
6. SOUTH 21° 59' 08" EAST, A DISTANCE OF 359.64 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT OF WAY OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, AND IN THE WEST LINE OF SAID SMITH CREEK ROAD, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING A SOUTH LINE OF SAID 76 ACRE TRACT, AND THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 74° 56' 55" WEST, A DISTANCE OF 480.33 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET, AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 1950.04 FEET;
2. ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 204.81 FEET, THROUGH A CENTRAL ANGLE OF 06° 01' 04", AND A CHORD WHICH BEARS SOUTH 71° 55' 55" WEST, A DISTANCE OF 204.72 FEET, TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. SOUTH 68° 55' 55" WEST, A DISTANCE OF 974.11 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE CENTERLINE OF SMITH BRANCH, IN THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND **POINT OF BEGINNING**, CONTAINING 68.768 ACRES OF LAND, MORE OR LESS, WITHIN THESE METES AND BOUNDS.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are grid values represented in International Survey Feet.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

I certify that this description was prepared from a survey made on the ground in July and August, 2023, under my supervision.

Steger & Bizzell Engineering Inc.

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

3-30-26

Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10003700

**EXHIBIT D**
**FORM OF RELEASE AND TERMINATION OF PARKING EASEMENT**

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

| | | |
|---|---|---|
| THE STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF WILLIAMSON | § | |

**RELEASE AND TERMINATION OF PARKING EASEMENT AGREEMENT**

This RELEASE AND TERMINATION OF PARKING EASEMENT AGREEMENT (this "**Release**") is entered into this _____ day of _____, 2____, by **CITY OF GEORGETOWN, TEXAS,** a home-rule municipality, a political subdivision of the State of Texas ("**Grantee**").

**RECITALS**

A. Pursuant to that certain Parking Easement Agreement dated effective _____, 2026, by and between SU 560 LAND HOLDINGS I, LLC, a Texas limited liability company and Grantee, recorded under Document No. _____, in the Official Public Records of Williamson County, Texas (the "**Easement Agreement**"), Grantee is the holder of a parking easement as more specifically set forth in the Easement Agreement (the "**Easement**"), on, over and along the following real property:

See **Exhibit A** attached hereto (the "**Easement Area**");

B. Notwithstanding anything to the contrary provided herein, the term "Easement" shall mean and include the Easement described in the Easement Agreement and any and all other easements and rights-of-way pertaining to the Easement Area.

C. As of the date hereof, Grantee desires to release and terminate the Easement and Easement Agreement in their entirety.

**NOW THEREFORE**, for and in consideration of One and No/100 Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Grantee hereby recites and agrees as follows:

1. **Release and Termination**. Grantee does hereby release and terminate the Easement and Easement Agreement and any and all other easements and rights-of-way pertaining to the Easement Area in their entirety. From and after the date hereof, the Easement,

Easement Agreement, and any and all other easements and rights-of-way pertaining to the Easement Area shall be null and void and of no further force or effect.

2. **Runs With the Land; Binding Effect; Capitalized Terms**. This Release shall run with the land and shall be binding upon and inure to the benefit of the owner of the Easement Area, its successors and assigns from and after the date hereof.

*[Signature Page to Follow]*

EXECUTED to be effective the date first written above.

**GRANTEE**:

**CITY OF GEORGETOWN**

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed and in his/her capacity as _____ of City of Georgetown, a home-rule municipality, a political subdivision of the State of Texas, on behalf of said home-rule municipality.

Given under my hand and seal of office this the _____ day of _____ 2_____.

_____
Notary Public in and for the State of Texas
My Commission Expires: _____

**After recording return to**:
_____
_____
_____
Attention: _____

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Agreement Regarding Governance with SU 560 Land Holdings I, LLC**

SUGGESTED ACTION:
Consideration and possible action to approve the Agreement regarding Governance between the City of Georgetown and SU 560 Land Holdings I, LLC related to the application and governance of the Covenants and Restrictions applying to the city-owned property located within the Southwester University 560 Development -- David Morgan, City Manager

ITEM SUMMARY:

This Agreement Regarding Governance operates as a negotiated variance to the SU 560 Master Development's Declaration of Covenants, Conditions and Restrictions as it applies to the City of Georgetown's property for the municipal service building and parking lot (the 1.830-acre Land and 4.665-acre Easement Parcel); where the two conflict, this Agreement controls. Its key terms modify the plan-approval process for the City's improvements (which route through the Development and Operations Agreement rather than the Development Review Committee or any future association), address the City's common-area assessment levels and assessment-related remedies, and grant the City a number of specific rights and exemptions that depart from the Declaration's general restrictions. The Agreement binds the City while it owns the Land, cannot be assigned by the City, and terminates automatically once the City no longer owns the property.

FINANCIAL IMPACT:
None.

SUBMITTED BY:
Skye Masson, City Attorney's Office/ Real Estate

ATTACHMENTS:
Agreement Regarding Governance.pdf

# AGREEMENT REGARDING GOVERNANCE
# SU 560 MASTER DEVELOPMENT

This Agreement Regarding Governance ("**Agreement**") is made by and between SU 560 Land Holdings I, LLC, a Texas limited liability company, its successors or assigns ("**Declarant**"), and the City of Georgetown, Texas, a Texas home-rule municipal corporation ("**City**"), and is as follows:

## RECITALS

**A.** Pursuant to that certain Special Warranty Deed recorded as Document No. _____ in the Official Public Records of Williamson County, Texas, dated effective _____, 2026 ("**Deed**"), Declarant conveyed to City approximately 1.830 acres of land located in Williamson County, Texas, as more particularly described in the Deed ("**Land**").

**B.** Pursuant to that certain Parking Easement Agreement by and between Declarant and City, recorded as Document No. _____ in the Official Public Records of Williamson County, Texas, dated effective _____, 2026 ("**Parking Agreement**"), Declarant conveyed to City a non-exclusive easement on, over, across, under, and upon that certain 4.665-acre tract of land more particularly described in Exhibit A of the Parking Agreement (the "**Easement Parcel**"). The Land and the Easement Parcel are referred to herein collectively as the "**Property**".

**C.** The Property is subject to that certain Declaration of Covenants, Conditions and Restrictions for SU 560 Master Development, recorded as Document No. _____ in the Official Public Records of Williamson County, Texas, dated effective _____, 2026 ("**Declaration**").

**D.** Declarant and City have concurrently entered into that certain Development and Operations Agreement of even date herewith ("**Development Agreement**").

**E.** Declarant and City desire to agree on certain matters associated with the development and governance of the Property, which matters shall act as a variance to the covenants, conditions, and restrictions in the Declaration, as more fully set forth below.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements contained herein, Declarant and City agree as follows:

1. **Defined Terms**. All defined terms delineated with initial capital letters in this Agreement that are not defined herein shall have the meaning ascribed to them in the Declaration or the Development Agreement, as applicable. Other terms have the meanings commonly ascribed to them or as defined in this Agreement.

2. **Variance**. This Agreement shall act as a variance to the covenants, conditions, and restrictions set forth in the Declaration. Where a provision in the Declaration conflicts with a provision in this Agreement, the provision in this Agreement controls. Declarant agrees that this Agreement shall be binding upon its successors and assigns, including, without limitation, the DRC and, if formed, the Association.

3. **Open Space and Common Area Designation**. Pursuant to *Section 3.1* of the Declaration, Declarant may designate Open Space and Common Area in a Recorded instrument. Notwithstanding any provision of the Declaration to the contrary, Declarant shall not, without the advance written consent of City, which consent may be withheld in City's sole and absolute discretion, designate Open Space and Common Area within all or any portion of the Property.

4. **Antennas**. Notwithstanding anything in *Section 2.7* of the Declaration to the contrary, the City may erect an antenna(s) on the Land as show on the plans approved pursuant to Section 5 herein and for an any additional antennas so long as (a) the City submits its plans for the location and design of each antenna at least thirty (30) days prior to installation to the DRC for review and approval and (b) installation, location, operation, and maintenance of the antenna(s) do not unreasonably interfere with use and enjoyment of the Development and comply with Applicable Law.

5. **Initial Plan Approval**. Notwithstanding anything in the Declaration to the contrary, the DRC and, if formed, the Association shall have no right to review, disapprove, condition, or approve City plans for design and/or construction of COG Building Improvements on the Land or Parking Improvements on the Easement Parcel (collectively, the "**Initial Plans**"). All Initial Plans shall be approved in accordance with *Section 1.3* of the Development Agreement, and an approval of Initial Plans for design and/or construction under the Development Agreement by the Declarant shall be deemed approved under the Declaration with no further action required by either party.

6. **New Plan Approval**. Notwithstanding anything in the Declaration to the contrary, the DRC and, if formed, the Association shall have no right to review, disapprove, condition, or approve City plans to design, construct or modify new or existing improvements, including without limitation parking, landscaping, screening, signage, fencing, and other design requirements for improvements on the Land or the Easement Parcel (collectively, the "**New Plans**"). Instead, the New Plans shall be submitted in accordance with *Section 3.15* of the Development Agreement, and an approval of New Plans for design, construction, and/or modification under the Development Agreement by the Declarant shall be deemed approved under the Declaration with no further action required by either party.

7. **Governing Design Standards**. The City, without regard to the date on which the City plans are submitted, shall be subject to the Design Standards in effect as of the date of this Agreement.

8. **Assessments**. Notwithstanding anything in the Declaration to the contrary, the City's Assessment Unit for the Land shall be 0.5. Once the building is constructed on the Land in accordance with the approved Initial Plans, the City's Assessment Unit for the Parcel shall be as set forth in the Declaration for office use. Once the Condominium is created, the Ground Floor Retail Premises shall have the Assessment Unit set forth in the Declaration for retail use, and the remainder of the City's Parcel shall have the Assessment Unit set forth in the Declaration for office use. Declarant shall bear the burden of the budgeted costs to maintain the Common Area within the development for those portions of the development not yet sold or leased to a third party until Declarant conveys a portion of the Development, via conveyance in fee or via lease, to a third

party. As each third party is brought into the development, each party that owns or rents within the development shall pay its share of its budgeted costs of Common Area Expenses in accordance with its Assessment Unit. Declarant shall pay the balance of the budgeted costs of the Common Area Expenses until the earlier of the date that Declarant sells all portions of the development or the date that Declarant leases all portions of the development.

9. **Liens**. Notwithstanding anything in the Declaration to the contrary, because the City is a political subdivision to which Chapter 43 of the Texas Property Code applies, Declarant shall not lien the Land as a remedy for City's failure to pay Assessments, provided such agreement shall not affect any other remedy set forth in the Documents (as defined below).

10. **Community Enhancement Fee**. The City's transfer of the Ground Floor Retail Premises of the COG Building Improvements within the Land to the Georgetown Economic Development Corporation shall not be subject to a Community Enhancement Fee.

11. **Condominium Regime**. Notwithstanding anything in the Declaration to the contrary, the City shall have the right to create a condominium regime that creates a condominium unit for the Ground Floor Retail Premises and a separate condominium unit consisting of the remainder of the COG Building in the COG Building Improvements on the Land without any further approval by Declarant of design plans so long as those plans have been pre-approved by Declarant in accordance with the Development Agreement. Notwithstanding the foregoing, City acknowledges and agrees that Declarant shall have the right to review and request reasonable changes to the condominium governance documents, including without limitation a condominium declaration, bylaws of the condominium association, and other condominium governance documents, and the City shall not unreasonably withhold, condition, or delay its cooperation with Declarant relative to such requested changes. City acknowledges and agrees that City must obtain approval from Declarant of the final form of condominium governance documents in writing prior to formation of a condominium association and recordation of a condominium declaration. Declarant agrees not to unreasonably withhold, condition, or delay its approval of the condominium governance documents and to provide comments and/or approval in writing to City within fifteen (15) business days of receipt of a condominium governance document.

12. **Fleet Vehicle Storage**. Notwithstanding anything in the Declaration to the contrary, the City may store its fleet vehicles, trucks, and equipment on the secured portion of the COG Parking Area so long as such storage is screened from view in accordance with the City's Initial Plans as approved in accordance with Section 5 above.

13. **Weapons**. Notwithstanding anything in the Declaration to the contrary, City police officers and other security personnel may carry weapons on the Land so long as (i) carrying such weapons are part of the normal requirements for such personnel and (ii) the use and handling of any weapon is done in compliance with Applicable Law.

14. **Flags and Flagpoles**. Notwithstanding anything in the Declaration to the contrary, the City shall have the right to install flagpoles as shown in its Initial Plans approved pursuant to the Development Agreement and Section 5 herein, and the City shall have the right to install flagpoles as shown on any New Plans approved pursuant to the Development Agreement and

Section 6 herein, both without any further approval required by the DRC or the Association under the Declaration.

15. **Exterior Storage and Display**. Notwithstanding anything in the Declaration to the contrary, the City may install a library book drop outside of the COG Building Improvements so long as the library book drop design and location are approved as part of the Initial Plans, in accordance with the Development Agreement and Section 5 herein, or as part of any New Plans, in accordance with the Development Agreement and Section 6 herein.

16. **Notice**. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by hand delivery, FedEx or other reputable overnight delivery service, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. Notice shall be presumed delivered or given on the next business day after deposit with FedEx or other next day courier service for delivery (receipt must be retained for proof of deposit). The parties hereto shall have the right from time to time to change their respective addresses, within the continental United States of America, by at least five (5) days' notice to the other party as herein provided. Each notice which shall be mailed or delivered in the manner described above at the following addresses.

The address of Declarant for all purposes under this Agreement and for all notices hereunder shall be:

SU 560 Land Holdings I LLC
c/o Southwestern University
1001 E. University Avenue
Georgetown, Texas 78627
Attention: Laura S. Trombley
Email: laura@southwestern.edu

with a copy to:

Jackson Walker L.L.P.
1401 McKinney Street, Suite 1900
Houston, Texas 77010
Attention: Marisela Peña
Email: mpena@jw.com

The address of City for all purposes under the Agreement and for all notices hereunder shall be:

City of Georgetown
808 Martin Luther King Street
Georgetown, Texas 78626
Attention: David Morgan, City Manager
Email: david.morgan@georgetowntexas.gov

with a copy to:

City of Georgetown
808 Martin Luther King Street
Georgetown, Texas 78626
Attention: Skye Masson, City Attorney
Email: skye.masson@georgetowntexas.gov

17. **Counterpart Execution**. This Agreement may be executed in any number of counterparts, including execution by facsimile or Docusign, with the same effect as if all parties hereto had signed the same document, and all counterparts, either original and/or facsimile and/or electronic, will constitute one and the same agreement.

18. **Assignment; Binding Effect**. Declarant may assign this Agreement and all rights accruing hereunder to Banbury (or such other development manager selected by Declarant) or to any Affiliate (as hereinafter defined) of Declarant without the prior written consent of City, but with notice to City of any such assignment, and provided further that Declarant shall not be released from the obligations and liabilities of Declarant under and in connection with this Agreement. As used herein, "**Affiliate**" means a natural person, corporation, limited or general partnership, limited liability company, tenancy-in-common, joint venture, association, business trust, and any other organization and any combination of them, which directly or indirectly controls, or through one or more intermediaries, is controlled by, or is under common control with the party in question. City shall not assign this Agreement; any assignment by the City shall be *void ab initio*. The obligations of either party under this Agreement shall be binding on the City for so long as City owns the Land, unless a term or condition expressly survives termination of this Agreement.

19. **Automatic Termination**. The parties agree this Agreement shall expire and be of no further effect, save and except those provisions which survive the termination of this Agreement, if the City no longer owns the Land and/or the COG Building Improvements on the Land.

20. **No Partnership**. Declarant and City are not partners or joint venturers. In no event will any of the parties be liable or responsible for any contractual, tortuous, or other liability, obligation, or debt of any other party, whether a party to this Agreement or otherwise.

21. **Amendment**. This Agreement may only be amended, modified, or changed by a written document properly executed by Declarant and City. Such amendment may be transmitted by e-mail, facsimile, or other method permitted by the provisions for giving notice in this Agreement and in accordance with Section 16 above.

22. **Miscellaneous**.

a. TEXAS LAW TO APPLY. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED BY THIS AGREEMENT ARE PERFORMABLE IN WILLIAMSON COUNTY, TEXAS.

b. Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement; provided, however, that this Agreement continues to reasonably and substantially reflect the intent of the parties expressed herein taking into account the exclusion of such unenforceable provision.

c. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

d. Days. As used in this Agreement, "days" shall mean and refer to calendar days. If a deadline falls or notice is required on a Saturday, Sunday, or a legal banking holiday, then the deadline or notice shall be extended to the next calendar day which is a business day.

e. Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature page or an electronically scanned signature page shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same agreement. An electronic signature transmitted in accordance herewith, shall be deemed in compliance with the U.S. Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act subject, however, to the following limitation: this document may not be amended, and its provisions may not be waived, orally or by electronic communications between the parties.

f. Recordation. This document shall be recorded in the Public Records of Williamson County, Texas, unless agreed to in writing by both parties.

g. **This Section 22 shall survive termination of this Agreement**.

23. **Sovereign Immunity; Capacity; Limited Waiver; Remedies; Authority**.

a. *Capacity of City*. City shall be deemed a "Lessee" under the Declaration and shall be bound by, and shall comply with, all covenants, conditions, restrictions, assessments, easements, architectural standards, maintenance obligations, and other provisions of the Declaration applicable to Lessees, except as expressly modified or pre-approved in this Agreement.

b. *No General Waiver; Construction Against Implied Waiver*. Declarant and City expressly recognize that, under Texas law, sovereign or governmental immunity is not waived except by clear and unambiguous legislative permission. Nothing in this

Agreement or the Declaration shall be construed as a general or implied waiver of sovereign or governmental immunity by City.

c. *Contract for Goods and Services.* The parties agree that this Agreement is a subject to Subchapter I, Chapter 271, Texas Local Government Code (the "**Provision**"), as amended from time to time. In addition to the limited waiver set forth in subsection (b) above, **City knowingly and expressly waives immunity from suit and liability to the extent that this Agreement or any of the Documents falls under the Provision**.

d. *Limited and Express Waiver for Enforcement of Covenants*. **City knowingly and expressly waives immunity from suit, but not from liability except as expressly provided herein**, solely to permit non-monetary judicial proceedings in a court of competent jurisdiction in the State of Texas to: (i) determine the parties' respective rights and obligations under this Agreement, the Declaration, and any other applicable agreements between the City and Declarant (collectively, the "**Documents**") as they pertain to the Land; and (ii) enforce compliance with the Documents as to such Land, including any COG Building Improvements on the Land, by means of declaratory and injunctive relief and specific performance. This limited waiver does not extend to any claim for money damages, penalties, fines, attorneys' fees, costs, or any other monetary relief against the City **except to the extent** such relief is expressly authorized by statute that clearly and unambiguously waives immunity, and then only to the extent of such statutory authorization.

e. *Venue; Jurisdiction*. Any permitted action against the City arising out of or relating to the Documents shall be brought exclusively in a state district court of competent jurisdiction sitting in the county in Texas where the Land is located.

f. **PROHIBITION ON VIOLATION OF STATE LAW AND CONSTITUTION**. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, DECLARANT AND THE CITY ACKNOWLEDGE AND AGREE THAT THE CITY SHALL NOT BE REQUIRED TO PERFORM ANY ACT OR TO REFRAIN FROM ANY ACT IF THAT PERFORMANCE OR NON-PERFORMANCE WOULD CONSTITUTE A VIOLATION OF THE CONSTITUTION OR LAWS OF THE STATE OF TEXAS.

g. **This Section 23 shall survive termination of this Agreement**.

EXECUTED to be effective on the date fully executed by Declarant and City (the "**Effective Date**").

*[SIGNATURES APPEAR ON FOLLOWING PAGES]*

**DECLARANT:**

SU 560 LAND HOLDINGS I, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me the ____ day of _____, 2026, by _____, _____ of SU 560 Land Holdings I, LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

_____
Notary Public Signature

**CITY:**

CITY OF GEORGETOWN, TEXAS,
a Texas home-rule municipal corporation

By: _____
Name: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me the ____ day of _____, 20__, by _____, _____ of the City of Georgetown, Texas, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

_____
Notary Public Signature

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Economic Performance Agreement between SU 560 Land Holdings I, LLC and the Georgetown Transportation Enhancement Corporation**

SUGGESTED ACTION:
Consideration and possible action to approve an Economic Performance Agreement between SU 560 Land Holdings I, LLC and the Georgetown Transportation Enhancement Corporation -- David Morgan, City Manager

ITEM SUMMARY:
Southwestern University is initiating the Southwestern University 560 Project, which is a 560-acre mixed-use development located just east of their campus consisting of employment, resident, retail, and hospitality complementing the University. The initial 67-acre first phase is planned to include office, multi-family residential, retail, hospitality, and entertainment uses. The City of Georgetown's Customer Service is proposed to be in the first phase of development. The economic development performance agreement will provide up to $8.5 million for transportation improvements which include collector roads and improvements to University Avenue. Additionally, the agreement requires Southwestern University to provide an easement for a large wastewater line to be installed by the City of Georgetown.

FINANCIAL IMPACT:
The funding of $8.5 million will come from the Georgetown Transportation Enhancement Corporation (GTEC). The economic incentive grant is projected to spur new development generating future sales tax and property tax revenues.

SUBMITTED BY:
Skye Masson, City Attorney's Office/ Real Estate

ATTACHMENTS:
GTEC SWU Economic Development Incentive Agreement - 6-2-26.pdf

| | | |
|---|---|---|
| **STATE OF TEXAS** | § | |
| | § | **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT** |
| **COUNTY OF WILLIAMSON** | § | |

This Economic Development Incentive Agreement ("Agreement") is made by and between the Georgetown Transportation Enhancement Corporation, a Type B sales tax corporation ("GTEC") and SU 560 Land Holdings I, LLC, a Texas limited liability company ("Company") (each a "Party" and collectively the "Parties"), acting by and through their respective authorized representatives.

**W I T N E S S E T H:**

**WHEREAS**, Company owns approximately 560 acres of real property in the City of Georgetown (the "Property") and intends to develop the Property in four phases for office, retail, entertainment, hospitality, and residential uses (the "Project"); and

**WHEREAS,** Company owns the real property described in **Exhibit "A"** ("Land") being a part of the Property, consisting of approximately 68.768 acres, and intends to develop the Land for a mixture of employment, retail, entertainment, office and residential uses as the first phase of the Project ("Phase1 Project"); and

**WHEREAS**, approximately 1.8 acres of the Land will be conveyed by Company to the City pursuant to a separate development and operations agreement (the "Development and Operations Agreement") for the City construction of a municipal services building consisting of two or more stories in height and containing approximately 74,000 square feet of space for the City of Georgetown "Customer Service Center", together with ground floor space that could be used for retail (hereinafter defined as the "Improvements") and for the City to construct on the Land at a site to be mutually determined by the Parties (the "Parking Facilities Site") surface parking containing approximately 286 shared parking spaces, 25 reserved visitor parking spaces, including 2 required ADA accessibility parking spaces, and 91 reserved fleet parking Spaces (the "Parking Facilities") (collectively the "Improvements" and the "Parking Facilities" referred to as the "City Project"); and;

**WHEREAS**, Company and/ or Company Affiliate intends to design and construct and install certain public infrastructure consisting of public street, required utilities, intersection improvements, traffic signalization, drainage, and public open space on the Land (hereinafter defined as the "Transportation Infrastructure"); and

**WHEREAS**, Company intends to make a Capital Investment (hereinafter defined) of not less than Eight Million Five Hundred Thousand and No/100 Dollars ($8,500,000.00) for the Transportation Infrastructure and intends to make a Capital Investment of not less than Eight Million Five Hundred Thousand and No/ 100 Dollars ($8,500,000.00) for the Phase 1 Project for a total combined minimum Capital Investment in the amount of Seventeen Million and No/ 100 Dollars ($17,000,000.00); and

**WHEREAS**, Company anticipates that the development of the Land and the Project will create Employment Positions; and

**WHEREAS**, Company has advised GTEC that a contributing factor that would induce Company to make the Capital Investment and to cause the design, construction and the installation of the Transportation Infrastructure would be an agreement by GTEC to provide an economic development grant to Company to offset the costs for the Infrastructure; and

**WHEREAS**, GTEC on behalf of City, has agreed to provide Company with the Transportation Infrastructure Grant (hereinafter defined); and

**WHEREAS,** GTEC has adopted programs for promoting economic development; and

**WHEREAS,** the Development Corporation Act, Chapter 501-505 of the Texas Local Government Code (the "Act") authorizes GTEC to provide economic development grants for the for infrastructure suitable for new or expanded business enterprises; and

**WHEREAS,** GTEC has determined that the Transportation Infrastructure Grant (hereinafter defined) to be made hereunder is required or suitable for infrastructure for new and expanded business enterprises and constitutes a "project", as that term is defined in the Act; and

**WHEREAS,** GTEC has determined that providing the Transportation Infrastructure Grant to Company in accordance with this Agreement will further the objectives of GTEC, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business and commercial activity in the City;

**NOW THEREFORE,** in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## Article I
## Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Bankruptcy or Insolvency" shall mean the dissolution or termination of Party's existence, insolvency, employment of receiver for any part of Party's property and such appointment is not terminated within one hundred twenty (120) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against a Party and such proceedings are not dismissed within one hundred twenty (120) days after the filing thereof.

"Capital Investment" shall mean the capitalized costs incurred and paid by Company or on behalf of Company, or by a Company Affiliate for the design, construction

and installation of the Transportation Infrastructure and for the Phase 1 Project, as the case may be.

"City" shall mean the City of Georgetown, Texas.

"City Project" shall collectively mean the Improvements and the Parking Facilities.

"Commencement of Construction" shall mean that: (i) the Plans and Specifications have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Transportation Infrastructure, or the respective portion thereof; and (ii) all necessary permits for the construction of the Transportation Infrastructure, or for the respective portion thereof pursuant to the Plans and Specifications have been issued by all the applicable governmental authorities; and (iii) clearing and/or grading of the Land has commenced.

"Company" shall mean SU 560 Land Holdings I, LLC, a Texas limited liability company.

"Company Affiliate" shall mean any entity that is directly or indirectly controlled by or is under common control with Company.

"Completion of Construction" shall mean that the City has conducted the final inspection and accepted the Transportation Infrastructure, or the applicable portion thereof.

"County" shall mean Williamson County, Texas.

"Development and Operations Agreement" shall mean that certain agreement by and between City and Company dated approximate date herewith.

"Effective Date" shall mean the last date of execution hereof by the Parties.

"Eligible Costs" shall mean the costs that are incurred and paid by Company and/ or on behalf of Company, or by a Company Affiliate for the design, construction and installation of the Transportation Infrastructure, including the Engineering Services, hard construction costs, surveying fees, permitting fees, testing fees, and construction management fee not to exceed four percent (4%) of design, permitting and construction costs but not including interest, costs of financing, land acquisition, costs for right-of-way or easements, or other similar soft costs.

"Employment Period" shall mean each twelve (12) consecutive month period following the date of Completion of Construction of the Improvements and the Parking Facilities during the term of this Agreement.

"Employment Position(s)" shall mean FTE eligible for employee benefits which have been created and filled at the Project. In the event of voluntary or involuntary termination of an employee, which termination causes the number of Employment

Positions to fall below the number required pursuant to this Agreement, Company shall not be in breach of this Agreement provided the required number of Employment Positions is re-established within ninety (90) days of such employee termination. The number of Employment Positions for an Employment Period shall be based on a weekly average count of Employment Positions working during each calendar week during the Employment Period.

"Engineering Services" shall mean the engineering services undertaken by the Project Engineer and their sub-consultants for the Plans and Specifications.

"Expiration Date" shall mean the date that is ten (10) years after the Completion of Construction of the Transportation Infrastructure.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

"FTE" or "FTE Position" means one position filled by one or more individuals working at the Project a combined total of at least 2080 hours during the Employment Period as an employee, including sick leave, jury duty, vacation and paid holidays.

"GEDCO" shall mean the Georgetown Economic Development Corporation, a Type A sales tax corporation.

"GTEC" shall mean the Georgetown Transportation Enhancement Corporation, a Type B sales tax corporation.

"Impositions" shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and per fees, and other charges by public or governmental authority, general and special, ordinary, and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company or any property or any business owned by Company within the City.

"Improvements" shall have the meaning assigned by the Recitals.

"Land" shall mean the real property described in **Exhibit "A"**.

"Maximum Grant Amount" shall mean the lesser of: (i) Eligible Costs actually incurred and paid by Company, or on behalf of Company, or by a Company Affiliate for the Transportation Infrastructure as verified by GTEC; or (ii) the sum of Eight Million Five Hundred Thousand and No/100 Dollars ($8,500,000.00).

"Payment Request" shall mean a written request from Company to GTEC for payment of an installment of Transportation Infrastructure Grant, which request shall be accompanied by: (i) records, receipts, and invoices to document the costs incurred and paid by Company, or on behalf of Company, or by a Company Affiliate for the design, construction and the installation of the Transportation Infrastructure, or the respective portion thereof; and (ii) copies of receipts, invoices, bills, and other records evidencing the required Capital Investment and such other records as GTEC may reasonably request to document the required Capital Investment.

"Phase 1 Project" shall mean the development of the Land for office, retail, entertainment, hospitality, educational, residential uses or other uses permitted by the PUD as generally depicted in **Exhibit "B"**.

"Plans and Specifications" shall mean the plans and specifications prepared by the Project Engineer for the Transportation Infrastructure as approved in writing by the City Manager, or designee.

"Project Engineer" shall mean the certified professional engineer as herein approved by the City Manager, or designee, who shall provide the Engineering Services. The City Manager has approved Civilitude and Kimley-Horn as Project Engineers.

"Related Agreement" shall mean any agreement (other than this Agreement) by and between: (i) the City, GTEC, and/or GEDCO and the Company or any Company Affiliate; and (ii); the Development and Operations Agreement.

"Required Use" shall mean the continuous occupancy and, upon establishment of use, the continuous use of the Land for employment, retail, entertainment, office, residential, academic, educational, research, student life, and other university mission-related uses, or other uses permitted by the PUD, and the City Project Uses.

"Transportation Infrastructure" shall consist of: right-turn deceleration lane approximately 400 feet in length at Paideia Way, dedicated left-turn lane approximately 600 feet in length at Paideia Way, right-turn deceleration lane approximately 500 feet in length at Golden Poppy Drive, the installation of traffic signal at Paideia Way, if warranted, or alternative improvements as required in City approved construction plans, the public streets, turn lanes, traffic signals, traffic signage, right-of-way utilities, and drainage as further described in **Exhibit "C"**, which qualify as the types of infrastructure set forth in Section 501.103 Texas Local Government Code, as amended.

"Transportation Infrastructure Grant" shall mean an economic development grant to be paid to Company for Eligible Costs incurred and paid by Company or on behalf of Company, or a Company Affiliate for the Transportation Infrastructure, not to exceed Eight Million Five Hundred Thousand and No/100 Dollars ($8,500,000.00), to be paid as set forth herein.

"Wastewater Line" shall mean the Gabriel Interceptor and Force Main to be constructed by City.

"Wastewater Line Easement" shall mean the easement for the construction, repair, maintenance and operation of the Wastewater Line attached as **Exhibit "D"**.

"Zoning" or "PUD" shall mean the ordinance adopted by the City governing the development of the Property for the Project, the Phase 1 Project and for the Land, as amended.

## Article II
## Term

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and continue until the Expiration Date, unless sooner terminated as provided herein.

## Article III
## Project

3.1 Construction of the Transportation Infrastructure.

(a) Permits and Approvals. Company and/ or Company Affiliate, shall contract with one or more third parties for the construction of the Transportation Infrastructure and shall cause its contractor(s) to apply, obtain all the necessary permits, inspections, and approvals for the construction of the Infrastructure.

(b) Transportation Infrastructure Right-of-Way. Company shall, without additional cost to the City and prior to Commencement of Construction of the applicable Transportation Infrastructure, dedicate, or cause the owner of the necessary property to dedicate, by plat or convey by separate instrument, in form reasonably acceptable to the City any right-of-way or easements

necessary for the installation, construction, use, maintenance and repair of the Transportation Infrastructure ("Right-of-Way").

(c) Project Engineer. Company shall cause the Project Engineer to provide that the Plans and Specifications for the Transportation Infrastructure are being prepared for the benefit of City, and that City (its agents and contractors) may publish, reproduce, and use the Plans and Specifications for the Transportation Infrastructure. Company shall cause the Project Engineer to provide GTEC and/or City with a cost allocation of the cost of services for the water, wastewater, electricity, and gas utilities portion of the Transportation Infrastructure and for the costs for the design of the roadway portion of the Transportation Infrastructure, including associated roadway improvements.

(d) Submission of Permit Applications. Prior to Commencement of Construction of the Transportation Infrastructure, Company and/ or Company Affiliate shall make, or cause to be made, application for any necessary permits and approvals that are customarily required by City and any applicable governmental authorities to be issued for the construction of the Transportation Infrastructure.

(e) Compliance. Company and/ or Company Affiliate shall comply and cause its contractor(s) to comply with all local and state laws and regulations regarding the design, construction and installation of the Transportation Infrastructure in accordance with the Plans and Specifications, including but not limited to, any applicable requirement relating to payment, performance, and maintenance bonds.

(f) Project Inspection. City Engineer, or designee shall have the right to inspect the Transportation Infrastructure to determine whether the Transportation Infrastructure construction is in accordance with the requirements of Plans and Specifications, this Agreement as well as City standards, ordinances, and regulations pertaining to the construction of public improvements.

(g) Pre-Construction Conference. Prior to Commencement of Construction of the Transportation Infrastructure shall cause Company's and/ or Company Affiliate's contractor(s) (hereinafter defined as "Contractor") and the Project Engineer to hold a pre-construction conference with the City-designated Engineering Inspector and the applicable private and public utility companies, as necessary.

(h) Bonds. Company and/ or Company Affiliate shall cause the Contractor to provide payment bonds and performance bonds for the construction of the Transportation Infrastructure to ensure completion thereof pursuant to Chapter 2253, Texas Government Code, as amended. Company and/ or Company Affiliate shall cause the Contractor to provide maintenance bonds for the Transportation Infrastructure in favor of City in accordance with City requirements and regulations pertaining to maintenance bonds for public improvements.

(i) Construction of Transportation Infrastructure. Subject to delays caused by events of Force Majeure, Company shall cause the Commencement of Construction of the Transportation Infrastructure to occur on or before September 3, 2026, and shall, subject to delays caused by

events of Force Majeure, cause the Completion of Construction of the Transportation Infrastructure to occur on or before February 24, 2028.

3.2 Acceptance Procedures. City acceptance of the Transportation Infrastructure or portion thereof shall require:

(i) Submittal of executed Company's and/ or Company Affiliate's affidavit that all payrolls, invoices for materials and equipment, and other liabilities connected with the Project work have been fully paid or otherwise satisfied;

(ii) Submittal of executed Contractor's affidavit that all payrolls, invoices for materials and equipment, and other liabilities connected with the Transportation Infrastructure work have been fully paid or otherwise satisfied;

(iii) Submittal of Consent of Surety by Contractor;

(iv) Submittal of one set of reproducible As-Built Record Drawings for the Transportation Infrastructure;

(v) Delivery of a bill of sale conveying the Transportation Infrastructure, or portion thereof to the City for which the Company has submitted a Payment Request; and

(vi) Delivery of all assignable warranties or assignment of warranties for the Transportation Infrastructure, or portion thereof for which Company has submitted a Payment Request.

3.3 Access to Work and Inspections. City, and its representatives, shall have access to the Transportation Infrastructure work at all times from Commencement of Construction through Completion of Construction. The Company and/ or Company Affiliate shall take whatever steps reasonably necessary to provide such access when requested. When reasonably requested by the City based on substantiated need for confirmation, Company and/ or Company Affiliate shall perform or cause to be performed such testing as may be reasonably necessary or reasonably appropriate to ensure suitability of the jobsite or compliance with the Plans and Specifications. Any testing reasonably requested by the City shall be limited to tests reasonably necessary to verify compliance of the Transportation Infrastructure with the Plans and Specifications and shall be scheduled to minimize disruption to construction.

3.4 Indemnification. GTEC AND CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE ACTS OR OMISSIONS OF COMPANY OR ITS CONTRACTOR PURSUANT TO THIS AGREEMENT. COMPANY HEREBY WAIVES ALL CLAIMS AGAINST GTEC AND CITY, THEIR RESPECTIVE COUNCIL, BOARD, OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "GTEC") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE SOLE NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF GTEC.

COMPANY DOES HEREBY INDEMNIFY, DEFEND AND SAVE HARMLESS GTEC FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY ARISING FROM COMPANY'S BREACH OF ANY OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR BY REASON OF ANY NEGLIGENT OR WILLFUL ACT OR OMISSION ON THE PART OF COMPANY, ITS OFFICERS, DIRECTORS, SERVANTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTOR, SUBCONTRACTORS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS IN THE PERFORMANCE OF THIS AGREEMENT (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL ACT OF THE GTEC. IN THE EVENT OF JOINT OR CONCURRENT NEGLIGENCE OF BOTH GTEC AND COMPANY, THE RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO GTEC AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THE COMPANY'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY COMPANY UNDER THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

3.5 Project Records and Audits.

(a) Company and/ or Company Affiliate shall keep and maintain, and cause Contractor to keep and maintain, complete and accurate records documents, papers, accounting records and other documentation relating to costs incurred and paid under this Agreement, including records and documents to document that the Transportation Grant were expended only for Eligible Costs (collectively the "Project Records").

(b) The Project Records shall be maintained for a period of four (4) years from the date of Completion of Construction of the Transportation Infrastructure, or until any pending litigation or claims are fully resolved, whichever is later.

(c) Company and/ or Company Affiliate shall provide and cause Contractor to provide to GTEC and/ or City, (including their representatives), upon not less five (5) business days prior written notice, access to the Project Records at a location designated by Company and/ or Company Affiliate within the City, during normal business hours for the purpose of making audits, examinations, excerpts, and transcriptions.

(d) GTEC and City shall maintain the confidentiality of proprietary, competitively sensitive, FERPA-protected, donor-related, privileged, and work-product materials to the

maximum extent permitted by the Texas Public Information Act, or other applicable law and will promptly notify Company of public information requests, and timely cooperate with Company to assert applicable exceptions, make reasonable redactions, and implement secure handling for any records reviewed.

3.6 Assignment of Warranties. Company and/ or Company Affiliate agrees to obtain and assign and cause Contractor to assign to the City the assignable warranties from Contractor and suppliers providing labor and/or materials in connection with the Transportation Infrastructure. Such warranties shall: (a) be at least standard industry warranties with respect to the Transportation Infrastructure; and (b) obligate Contractor and suppliers to repair all defects in the Transportation Infrastructure for a period of two (2) years following Completion of Construction of the respective Transportation Infrastructure.

3.7 Casualty. Risk of loss due to casualty shall be borne by Company until Completion of Construction of the respective Transportation Infrastructure. Company shall carry, or cause to be carried as an Eligible Cost, insurance in amounts sufficient to restore any portion of the Transportation Infrastructure damaged by casualty to the same condition as existed immediately prior to such casualty. Company will, in any event, restore any portion of the Transportation Infrastructure damaged or destroyed by casualty as part of its obligation to construct the Transportation Infrastructure and the time granted by the City for restoration shall be commensurate to the extent of the damage or destruction.

3.8 Insurance. Company and/ or Company Affiliate shall obtain and maintain in full force and effect at its expense and shall require its Contractor to obtain and maintain at their expense the following policies of insurance and coverage:

(a) Commercial General Liability Policy covering bodily injury, death and property damage, including the property of GTEC, its directors, officers, employees and agents insuring against all claims, demands or actions relating to the Project work and services provided pursuant to this Agreement with minimum limits on a per project basis of not less than One Million Dollars ($1,000,000) combined single limit and Two Million Dollars ($2,000,000) aggregate, including products and completed operations coverage. This policy shall be primary to any policy, or policies carried by or available to GTEC. Any insurance proceeds received on account of casualty to the Transportation Infrastructure shall be applied to restoration of the affected Transportation Infrastructure, and the completion deadlines shall be extended for the reasonable period required for restoration.

(b) Workers' Compensation Employer's Liability Insurance Policy in full accordance with the statutory requirements of the State of Texas and shall include bodily injury, occupational illness, or disease coverage with minimum Employer's Liability limits of not less than $500,000/$500,000/$500,000.

(c) Automobile Liability Insurance Policy covering all operations of Company pursuant to this Agreement involving the use of motor vehicles, including all owned, non-owned and hired vehicles with minimum limits of not less than One Million Dollars ($1,000,000) combined single limit for bodily injury, death, and property damage liability.

(d) Excess Liability Insurance Policy with a limit of not less than Ten Million Dollars ($10,000,000). Such insurance shall be in excess of the commercial general liability insurance, business auto liability insurance and employer's liability insurance. This insurance will apply as primary insurance with respect to any other insurance or self-insurance programs maintained by GTEC and shall be provided on a "following form basis". Continuing commercial umbrella coverage, if any, shall include liability coverage for damage to the Contractor's completed work.

(e) Property/Builders Risk Insurance Policy with "all-risk" coverage on the entire Project construction value with replacement cost basis to include the interest of GTEC, Company, the Contractor in the Project work and materials in transit and stored off the Project site destined for incorporation.

(f) Professional Liability Insurance (if applicable) with limit of not less than Two Million Dollars ($2,000,000) for all negligent acts, errors and omissions by the Project Engineer that arise out of the performance of this Agreement.

(g) Waiver of Subrogation Rights. The Commercial General Liability, Worker's Compensation, Business Auto and Excess Liability insurance required pursuant to this Agreement shall provide for waivers of all rights of subrogation against GTEC.

(h) Additional Insured Status. With the exception of Worker's Compensation Insurance and any Professional Liability Insurance, all insurance required pursuant to this Agreement shall include and name GTEC, its board, officers, and employees as additional insureds. The Additional Insured status for GTEC shall remain in force and effect for a minimum of two (2) years following abandonment or completion of the work and services provided pursuant to this Agreement and the termination of this Agreement.

(i) Certificates of Insurance. Certificates of Insurance and policy endorsements for the required insurance shall be delivered to GTEC prior to the commencement of any work or services under this Agreement and annually for a minimum of two (2) years following the Expiration Date or termination of this Agreement, abandonment, or completion of Project work. All required policies shall be endorsed to provide GTEC with thirty (30) days' advance notice of cancellation or material change in coverage. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements regarding cancellation, non-renewal and/or material changes, the Company shall provide at least thirty (30) days prior written notice to GTEC of any cancellation, non-renewal, and/or material changes to any of the policies of insurance.

(j) On every date of renewal of the required insurance policies, Company shall deliver to GTEC (and cause the Contractor to deliver to GTEC a Certificate of Insurance and policy endorsements to be issued evidencing the required insurance herein. In addition, Company shall, within ten (10) business days after written request, provide GTEC with Certificates of Insurance and policy endorsements for the insurance required herein (which request may include copies of such policies). The delivery of the Certificates of Insurance and the policy endorsements (including

copies of such insurance policies) to GTEC is a condition precedent to the payment of any amounts due to Company by GTEC.

(k) Carriers. All policies of insurance required to be obtained by Company, and/ or Company Affiliate, and Contractor pursuant to this Agreement shall be maintained with insurance carriers that are satisfactory to GTEC and lawfully authorized to issue insurance in the state of Texas for the types and amounts of insurance required herein. All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A-VII" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by GTEC.

3.9 Current Revenue. The Transportation Infrastructure Grant made hereunder shall be paid solely from lawful available funds, which have been appropriated by GTEC. Under no circumstances shall the obligations of GTEC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, GTEC shall have no obligation or liability to pay the Transportation Infrastructure Grant except as allowed by law.

3.10 Grant Limitations. GTEC shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of GTEC under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3.11 Zoning. The Parties acknowledge and understand that the Zoning contains provisions that may or do (i) prohibit, directly or indirectly, the use or installation of a building product or material in the construction, renovation, maintenance, or other alteration of a commercial building otherwise approved for use by a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of a building, or (ii) establishes a standard for a building product, material, or aesthetic method in the construction, renovation, maintenance, or other alteration of a commercial building that is more stringent than a standard for the product, material, or aesthetic method under a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building, such that such provision(s) may be void as a matter of law pursuant to Chapter 3000 of the Texas Government Code. Notwithstanding the foregoing, Company agrees to: (i) comply with the Zoning and construct the Phase 1 Project improvements in accordance with the materials and elevations required by the Zoning, except that notwithstanding the Zoning the required exterior building materials for all buildings erected on any portion of the Land shall have exterior elevations of concrete, brick, masonry, stone, stucco, metal accents or equivalent finishes; no exterior elevations of any buildings on the Land shall be unfinished; and no metal buildings shall be permitted (the "Required Building Materials") and (ii) to construct the Phase 1 Project improvements as required pursuant to this Agreement. Further, during the term of this Agreement, Company agrees to use building materials for the Phase 1 Project improvements consistent and harmonious with the Required Building Materials and the Zoning, (the Zoning as modified by the Required Building Materials) and as required by this Agreement. The provisions of this Section shall be a covenant running with the Land and are fully binding on Company and each and every subsequent owner of all or any portion of the Land during,

but only during, the term of such party's ownership thereof (except with respect to defaults that occur during the term of such person's ownership) and shall be binding on all successors and assigns of Company which acquire any right, title, or interest in or to the Land, or any part thereof.

## Article IV
## Transportation Infrastructure Grant

4.1 Transportation Infrastructure Grant.

(a) Transportation Infrastructure Grant Process Subject to the continued satisfaction of all the terms and conditions of this Agreement by Company and the obligation of Company to repay the Transportation Infrastructure Grant pursuant to Article V hereof, GTEC agrees to provide the Transportation Infrastructure Grant to Company to be paid by GTEC to Company in calendar quarter installments beginning with the first day of the first calendar quarter following ninety (90) days after the Commencement of Construction of the Transportation Infrastructure and continuing on the first day of each calendar quarterly calendar thereafter until earlier of; (i) the date of the cumulative payments of the Transportation Infrastructure Grant equals the Maximum Grant Amount; or (ii) the date of one hundred percent (100%) of the Completion of Construction of the Transportation Infrastructure has been achieved. The amount of each quarterly installment shall be equal to the amount of Eligible Costs incurred and paid by Company and/ or Company Affiliate during the preceding ending quarterly calendar, after deducting any prior installments of the Transportation Grant.

(b) Payment of Transportation Infrastructure Grant. Company may submit a Payment Request for a quarterly installment of the Transportation Grant no earlier than the first day of the applicable calendar quarter and no later than thirty (30) days after the end of the applicable calendar quarter. GTEC shall pay the applicable calendar quarter installment of the Transportation Grant within sixty (60) days after receipt of the applicable Payment Request following GTEC verification of the Eligible Costs and the Payment Request Review set forth in Section 4.2. Failure to timely submit a Payment Request shall not be a breach or default of this Agreement but shall operate as a forfeiture of payment of the Eligible Costs for such calendar quarter provided however any Eligible Costs for such calendar quarter may be carried forward once to the next quarterly installment of the Transportation Infrastructure Grant. Any Eligible Costs for a calendar quarter not included in a Payment Request for such calendar quarter shall only be carried forward and available for payment in the next calendar quarter installment of the Transportation Infrastructure Grant and not thereafter.

(c) Final Transportation Infrastructure Grant. The final installment of the Transportation Infrastructure Grant in an amount of the lesser of: (i) one hundred percent (100%) of the Maximum Grant Amount, or (ii) the amount of the Eligible Costs incurred and paid by Company for the Transportation Infrastructure less the amount reimbursed by the prior Installments of the Transportation Infrastructure Grant shall be paid by GTEC to Company not later than sixty (60) days after receipt of a Payment Request following the date that one hundred percent (100%) of the Transportation Infrastructure has achieved Completion of Construction as determined by GTEC and City acceptance has occurred. GTEC shall provide written notice to Company of the date City has determined that one hundred percent (100%) of the Transportation

Infrastructure has achieved Completion of Construction. Company shall submit the Payment Request for the Final Installment of the Transportation Infrastructure Grant no earlier than the date one hundred percent (100%) of the Transportation Infrastructure has achieved Completion of Construction and City has accepted such Transportation Infrastructure, and no later than ninety (90) days thereafter. Failure of the Company to timely submit the Payment Request for the Final Installment of the Transportation Infrastructure Grant shall result in forfeiture of the payment of the Final Installment of the Transportation Infrastructure Grant.

4.2 Maximum Grant Amount. In no case shall the cumulative payments of the installments of the Transportation Infrastructure Grant exceed the lesser of the: (i) the Eligible Costs actually incurred and paid by Company, or on behalf of Company, or on behalf of Company, and/ or a Company Affiliate as verified by GTEC; and (ii) the Maximum Grant Amount. Company shall be responsible for costs for and for payment of all work performed for the Transportation Infrastructure in excess of the Maximum Grant Amount.

4.3 Payment Request Review.

(a) GTEC will review each Payment Request and the supporting records and the Transportation Infrastructure work to determine whether the quantity and quality of the Transportation Infrastructure work is as represented in the Request for Payment and is as required by the Plans and Specifications.

(b) Company warrants that upon submittal of the Payment Request that all Transportation Infrastructure work for which the Payment Request is submitted shall be free and clear of liens, claims, security interest or other encumbrances in favor of Company or any other person or entity whatsoever.

(c) No payment of an installment of the Transportation Infrastructure Grant, nor any use or occupancy of Transportation Infrastructure by GTEC and/or City, shall be interpreted to constitute an acceptance of any Transportation Infrastructure work not constructed in accordance with the Plans and Specifications. Company and/ or Company Affiliate warrants that upon submittal of the Payment Request that all Transportation Infrastructure work shall be free and clear of liens, claims, security interest or other encumbrances in favor of Company and/ or Company Affiliate or any other person or entity whatsoever. Company and/ or Company Affiliate shall promptly pay, or cause Contractor to pay, any sub-contractor(s) performing work on the Transportation Infrastructure and upon request by GTEC provide proof to GTEC that such sub-contractor(s) have been paid.

(d) No payment of the Transportation Infrastructure Grant or any installment thereof nor any use or occupancy of Transportation Infrastructure by GTEC and/or City, shall be interpreted to constitute an acceptance of any Transportation Infrastructure work not constructed in strict accordance with the Plans and Specifications.

(e) GTEC may decline to make payment of any installment of the Transportation Infrastructure Grant, may withhold funds, and, if necessary, may demand the return of some or all

of any installment of the Transportation Infrastructure Grant previously paid to Company, to protect GTEC and/or City from loss because of:

(1) Defective Transportation Infrastructure work not remedied by Company and/ or Company Affiliate, or, in the reasonable opinion of City, not likely to be remedied by the Company and/ or Company Affiliate;

(2) Substantiated claims of third parties against GTEC and/or City or their property with respect to the Transportation Infrastructure costs related to the construction thereof and such claims arising prior to acceptance of the Transportation Infrastructure by the City;

(3) Failure by Company and/ or Company Affiliate to pay Contractor or others under contract with Company and/ or Company Affiliate with respect to the Transportation Infrastructure in a prompt and proper fashion, excluding such instances of non-payment as allowed pursuant to the terms of contract between Company and/ or Company Affiliate and Contractor;

(4) Evidence that the balance of the Transportation Infrastructure work cannot be completed in accordance with this Agreement;

(5) Evidence that the Transportation Infrastructure work will not be completed in the time set forth in Section 3.1, but subject to Force Majeure and any permissible delay set forth in this Agreement;

(6) Persistent failure to carry out the Transportation Infrastructure work in accordance with this Agreement; and

(7) Damage to GTEC and/or City or a third party to whom GTEC and/or City is, or may be, liable and that is the responsibility of Company under this Agreement.

4.4 Conditions to Transportation Infrastructure Grant. The obligation of GTEC to pay the Transportation Infrastructure Grant and any installments thereof to Company shall be conditioned upon the compliance and satisfaction by Company of the terms and conditions of this Agreement and each of the conditions set forth in this Section; provided, however, that failure to meet a condition shall not prevent the payment of the applicable Transportation Infrastructure Grant prior to the specified deadline for satisfaction of the condition.

(a) Good Standing. Company shall not have an uncured breach or default of this Agreement or a Related Agreement.

(b) Required Use. Beginning with the Effective Date and continuing until the Expiration Date the Land shall not be used for any purpose other than the Required Use.

(c) Capital Investment. The Capital Investment of the Transportation Infrastructure shall be no less Eight Million Five Hundred Thousand and No/ 100 Dollars ($8,500 ,000.00) as of the date of Completion of Construction of all the Transportation Infrastructure. The Capital Investment for the Phase 1 Project shall be no less than Eight Million Five Hundred Thousand and

No/ 100 Dollars ($8,500,000.00 as of the date of Completion of Construction of the Phase 1 Project. The combined Capital Investment for the Transportation Infrastructure and Phase 1 Project shall be no less than Seventeen Million Dollars ($17,000,000.00) Company shall, within ninety (90) days after the first anniversary of the Effective Date and each subsequent anniversary thereof during the term of this Agreement provide GTEC with copies of receipts, invoices, bills, and other records and such other records as GTEC may reasonably request to document the required Capital Investment.

(d) Employment Positions. Company anticipates that the Phase 1 Project and the development of the Land will create approximately One Thousand (1.000) Employment Positions. Company's estimates of Employment Positions are forward-looking projections only and do not constitute a condition, covenant, or basis for default, or repayment under this Agreement.

(e) Wastewater Line Easement. The Wastewater Line Easement has been conveyed to City.

## Article V
## Termination

5.1 Termination. This Agreement shall terminate upon any one or more of the following:

(a) By written agreement of the Parties;

(b) Expiration Date;

(c) On the date set forth in a written notice by any Party in the event the other Party breaches any of the terms or conditions of this Agreement or a Related Agreement and such breach is not cured within thirty (30) days after written notice thereof; provided however if such breach may not be reasonably be cured within such 30-day period the Party in default may extend the cure period up to an additional one hundred twenty (120) days to cure such breach;

(d) On the date set forth in a written notice by GTEC, if Company suffers an event of Bankruptcy or Insolvency;

(e) On the date set forth in a written notice by GTEC, if any Impositions owed to GTEC, City and/or the State of Texas by Company shall become delinquent for a period in excess of thirty (30) days (provided, however, Company retains the right to timely and properly protest and contest any such Impositions); and

(f) On the date set forth in a written notice by any Party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable.

5.2 Repayment. In the event this Agreement is terminated by GTEC pursuant to Section 5.1(c) for an uncured breach by Company, (d), (e), or (f), Company shall within thirty (30) days after notice of termination pay to GTEC an amount equal to the amount of the Transportation Infrastructure Grant less the amount of the Eligible Costs for the Transportation Infrastructure reimbursed to Company by the payment of installments of the Transportation Infrastructure Grant for those portions of the Transportation Infrastructure accepted by City, that has been paid to Company as of the date of termination, plus interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by GTEC) as its prime or base commercial lending rate, not to exceed the lesser of (i) three percent (3%), or (ii) the maximum rate permitted by law, which shall accrue at a simple, non-compounding rate from the date of termination of this Agreement until paid in full.

5.3 Offsets. GTEC may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City, GEDCO or GTEC from Company, and/ or Company Affiliate regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise, and regardless of whether the debt due City, GTEC, or GEDCO has been reduced to judgment by a court.

5.4 Termination for Exemption. This Agreement shall automatically terminate without notice or prior action by GTEC on the date the Williamson Central Appraisal District (or State of Texas or legislation enacted by the State of Texas) exempts any of the real property being a part of the Property and the Land and any improvements located thereon from property taxation in whole or in part ("Exemption"). In the event of Exemption, Company shall within thirty (30) days after written demand by GTEC repay GTEC an amount equal to the Transportation infrastructure Grant paid by GTEC to Company preceding the date of such Exemption. It is the intent of the Parties that if the Property and/or the Land, or any portion thereof and/or any improvements thereon are exempt from property taxes or later become exempt from property taxes that this Agreement shall terminate; provided however this Section shall not apply to any real property and/or improvements owned by City including any leasehold interests.

## Article VI
## Miscellaneous

6.1 Binding Agreement; Assignment. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto. This Agreement may not be assigned without the prior written consent of GTEC.

6.2 Limitation on Liability. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties. It is understood and agreed between the Parties that Company, in satisfying the conditions of this Agreement, has acted independently, and GTEC assumes no responsibilities or liabilities to third parties in connection with these actions. Company agrees to indemnify and hold harmless GTEC from all such claims, suits, and causes of actions, liabilities, and expenses, including reasonable attorney's fees, of any nature whatsoever arising out of the Company's and/or

Owners' performance of the conditions under this Agreement. Excluded from recovery between the Parties are punitive, exemplary, special, incidental, and consequential damages, except for Company indemnification of GTEC and City as provided in Section 3.4.

6.3 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

6.4 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received: (i) three (3) days after deposit in the United States Mail, certified, return receipt requested, postage prepaid, addressed to the Party at the address set forth below (or such other address as a Party may subsequently designate in writing); (ii) or on the day received if sent by courier or otherwise hand delivered.

If intended for GTEC, to:

President
Georgetown Transportation Enhancement Corporation
City of Georgetown
808 Martin Luther King, Jr. Street
Georgetown, Texas 78626

With a copy to:

Skye Masson
City Attorney
City of Georgetown
808 Martin Luther King Jr. St.
Georgetown, Texas 78626

If intended for Company, to:

SU 560 Land Holdings I LLC
c/o Southwestern University
Attn: Laura S. Trombley
1001 E. University Avenue
Georgetown, TX 78627
Phone: 512-863-1454
Email: laura@southwestern.edu

With a copy to:

Jackson Walker LLP
Attn: Pam Madere
100 Congress Avenue, 11th Floor
Austin, Texas 78701
Phone: 512-236-2202
Email: pmadere@jw.com

6.5 Entire Agreement. This Agreement is the entire Agreement among the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement among the Parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

6.6 Governing Law. The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Williamson County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.7 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.8 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.9 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.10 Recitals. The recitals to this Agreement are incorporated herein.

6.11 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.13 Employment of Undocumented Workers. During the term of this Agreement Company agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the amount of the Transportation Infrastructure Grant and any other funds received by Company from GTEC as of the date of such violation within 120 days after the date Company is notified by GTEC of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Company is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts.

6.14 Third Party Beneficiary. The Parties agree that the City is a third-party beneficiary of this Agreement and shall have the right to enforce this Agreement.

6.15 Conditions Precedent. This Agreement is subject to and the obligations of the Parties pursuant to this Agreement are expressly conditioned upon of City the City Council having approved this Agreement.

***(signature pages to follow)***

**EXECUTED** on this _____ day of _____, 2026.

**GEORGETOWN TRANSPORTATION ENHANCEMENT CORPORATION**

By: _____
Shawn Hood, President

**State of Texas** §
**County of Williamson** §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Shawn Hood, as President of the Georgetown Transportation Enhancement Corporation, a Type B sales tax corporation, on behalf of said corporation.

*(Notary Seal)*

_____
Notary Public, State of Texas
My Commission Expires:_____

**EXECUTED** on this _____ day of _____, 2026.

**SU 560 LAND HOLDINGS I, LLC**

By: _____
Name: _____
Title: _____

**State of Texas** §
**County of _____** §

This instrument was acknowledged before me on the _____ day of _____, 2026, by _____, as _____ of SU 560 Land Holdings I, LLC, a Texas limited liability company, on behalf of said company.

*(Notary Seal)*

_____
Notary Public, State of Texas
My Commission Expires:_____

**Certification of City Council Approval**

I hereby certify that the foregoing Economic Development Incentive Agreement of the Georgetown Economic Development Corporation and the project described therein was approved by the City Council of the City of Georgetown, Texas, on the _____ day of _____, 2026.

THE CITY OF GEORGETOWN, TEXAS
A Texas home-rule municipality

By: _____
Josh Schroeder, Mayor

By: _____
Robyn Densmore, City Secretary

APPROVED AS TO FORM:

By: _____
Skye Masson, City Attorney

# Exhibit "A"
# Legal Description

## DESCRIPTION OF 68.768 ACRES

DESCRIPTION OF A 68.768 ACRE TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING PART OF A CALLED 105 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (DR), BEING DESCRIBED IN VOLUME 121, PAGE 111, DR, PART OF A CALLED 76 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 342, DR, PART OF A CALLED 25.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY BY DEED, OF RECORD IN VOLUME 333, PAGE 145, DR, BEING DESCRIBED IN VOLUME 129, PAGE 11, DR, AND PART OF A CALLED 11.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 333, PAGE 145, BEING DESCRIRBED IN VOLUME 183, PAGE 588, DR, SAID 68.768 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN JULY AND AUGUST, 2023, UNDER THE SUPERVISION OF PATRICK J. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT-OF -WAY OF STATE HIGHWAY NO 29, ALSO KNOWN AS UNIVERSITY AVENUE, A VARIABLE WIDTH RIGHT-OF-WAY, SAME BEING A SOUTHWESTERLY CORNER AND **POINT OF BEGINNING** OF THE HEREIN DESCRIBED TRACT;

**THENCE,** OVER AND ACROSS THE AFOREMENTIONED SOUTHWESTERN UNIVERSITY TRACTS, WITH THE CENTERLINE OF SAID SMITH BRANCH, SAME BEING THE WEST LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES:

1. NORTH 20° 48' 17" WEST, A DISTANCE OF 304.96 FEET TO A POINT;
2. NORTH 40° 27' 28" WEST, A DISTANCE OF 226.74 FEET TO A POINT;
3. NORTH 51° 30' 23" WEST, A DISTANCE OF 65.84 FEET TO A POINT;
4. NORTH 42° 32' 02" WEST, A DISTANCE OF 124.49 FEET TO A POINT;
5. NORTH 32° 15' 06" WEST, A DISTANCE OF 173.82 FEET TO A POINT;
6. NORTH 07° 39' 28" WEST, A DISTANCE OF 200.45 FEET TO A POINT;
7. NORTH 02° 35' 22" WEST, A DISTANCE OF 105.98 FEET TO A POINT;
8. NORTH 11° 16' 53" EAST, A DISTANCE OF 51.97 FEET TO A POINT;
9. NORTH 04° 00' 44" EAST, A DISTANCE OF 240.86 FEET TO A POINT;
10. NORTH 13° 38' 23" EAST, A DISTANCE OF 73.47 FEET TO A POINT;
11. NORTH 03° 04' 37" EAST, A DISTANCE OF 51.24 FEET TO A POINT;
12. NORTH 13° 19' 40" WEST, A DISTANCE OF 72.10 FEET TO A POINT;

13. NORTH 31° 00' 39" WEST, A DISTANCE OF 135.95 FEET TO A POINT;
14. NORTH 44° 16' 00" WEST, A DISTANCE OF 85.61 FEET TO A POINT; AND
15. NORTH 53° 22' 14" WEST, A DISTANCE OF 79.63 FEET TO A POINT IN THE SOUTH LINE OF COUNTY ROAD 188, ALSO KNOWN AS SMITH CREEK ROAD, BEING A 40 FOOT WIDE RIGHT-OF-WAY (NO RECORD FOUND), FOR THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE SOUTH LINE OF SAID SMITH CREEK, ROAD THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. NORTH 61° 04' 53" EAST, A DISTANCE OF 47.17 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. NORTH 74° 06' 52" EAST, A DISTANCE OF 173.69 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. NORTH 77° 36' 45" EAST, A DISTANCE OF 1400.60 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE SOUTH AND WEST LINE OF SAID SMITH CREEK ROAD FOR THE NORTHEAST CORNER OF HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE WEST LINE OF SAID SMITH CREEK ROAD THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. SOUTH 21° 31' 36" EAST, A DISTANCE OF 348.32 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. SOUTH 24° 18' 14" EAST, A DISTANCE OF 247.39 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
3. SOUTH 29° 05' 31" EAST, A DISTANCE OF 142.88 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
4. SOUTH 22° 32' 01" EAST, A DISTANCE OF 363.29 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
5. SOUTH 21° 57' 06" EAST, A DISTANCE OF 258.94 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
6. SOUTH 21° 59' 08" EAST, A DISTANCE OF 359.64 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT OF WAY OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, AND IN THE WEST LINE OF SAID SMITH CREEK ROAD, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

**THENCE,** WITH THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING A SOUTH LINE OF SAID 76 ACRE TRACT, AND THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 74° 56' 55" WEST, A DISTANCE OF 480.33 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET, AT THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 1950.04 FEET;
2. ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 204.81 FEET, THROUGH A CENTRAL ANGLE OF 06° 01' 04", AND A CHORD WHICH BEARS SOUTH 71° 55' 55" WEST, A DISTANCE OF 204.72 FEET, TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. SOUTH 68° 55' 55" WEST, A DISTANCE OF 974.11 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE CENTERLINE OF SMITH BRANCH, IN THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND **POINT OF BEGINNING**, CONTAINING 68.768 ACRES OF LAND, MORE OR LESS, WITHIN THESE METES AND BOUNDS.

Bearings are based on the Texas Coordinate System of 1983, Central Zone (NAD_83 (2011)). All distances shown hereon are grid values represented in International Survey Feet.

The foregoing metes and bounds description and survey on which it is based is accompanied by and a part of a survey map of the subject tract.

I certify that this description was prepared from a survey made on the ground in July and August, 2023, under my supervision.

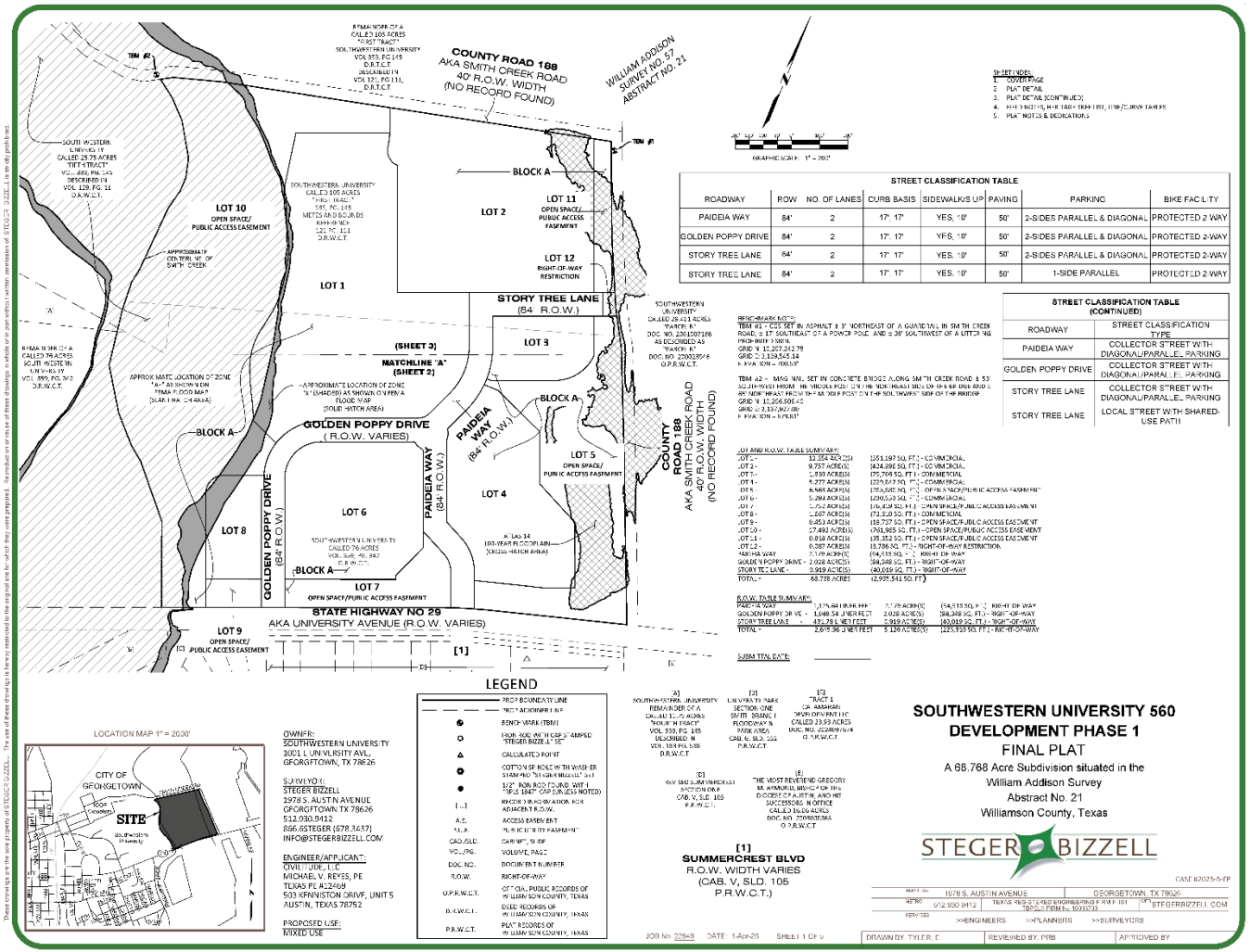
Steger & Bizzell Engineering Inc.

STATE OF TEXAS
REGISTERED
PATRICK J. STEVENS
5784
PROFESSIONAL
LAND SURVEYOR

3-30-26

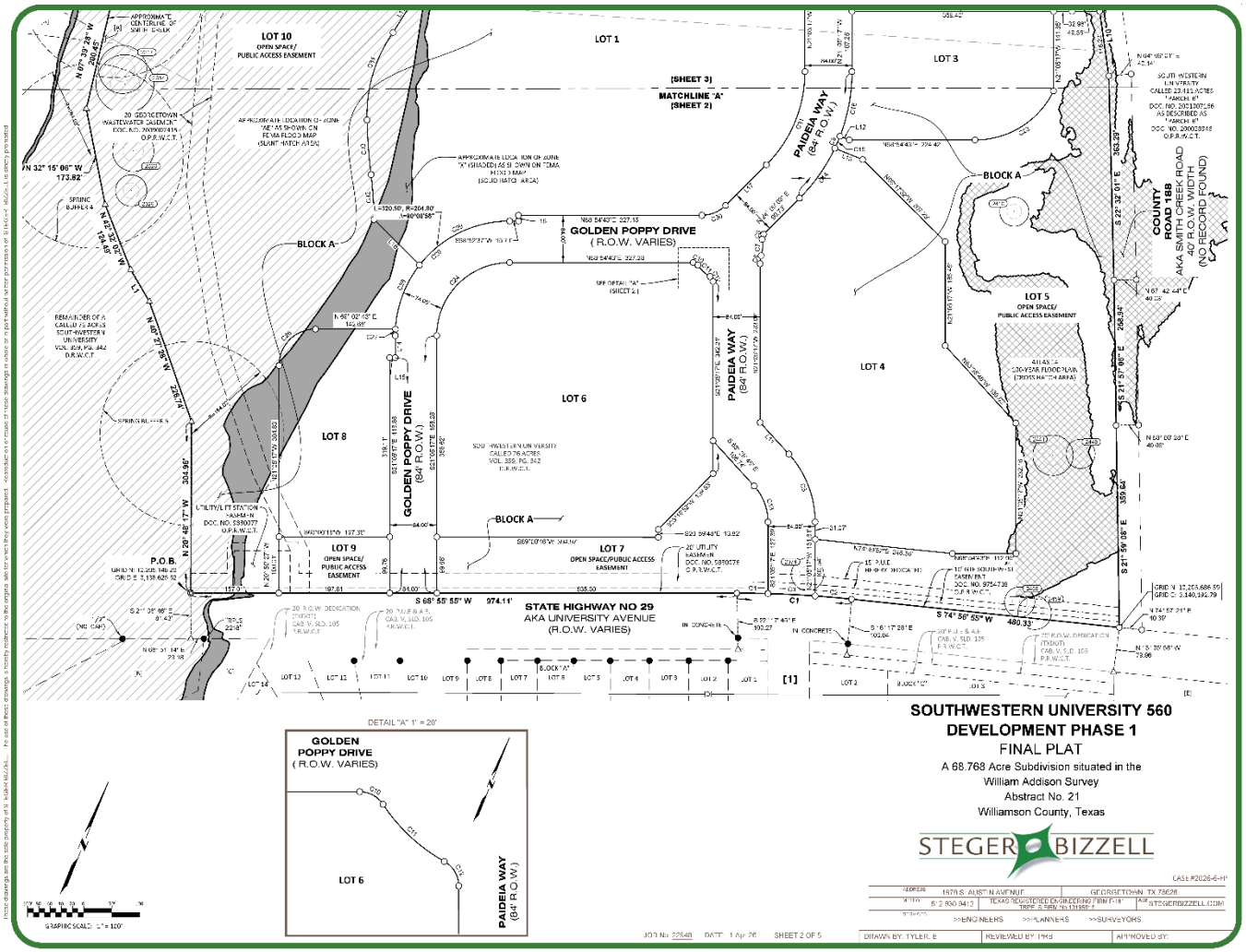
Patrick J. Stevens, RPLS
Texas Reg. No. 5784
1978 South Austin Avenue
Georgetown, Texas 78626
(512) 930-9412
TBPELS Firm No. 10003700

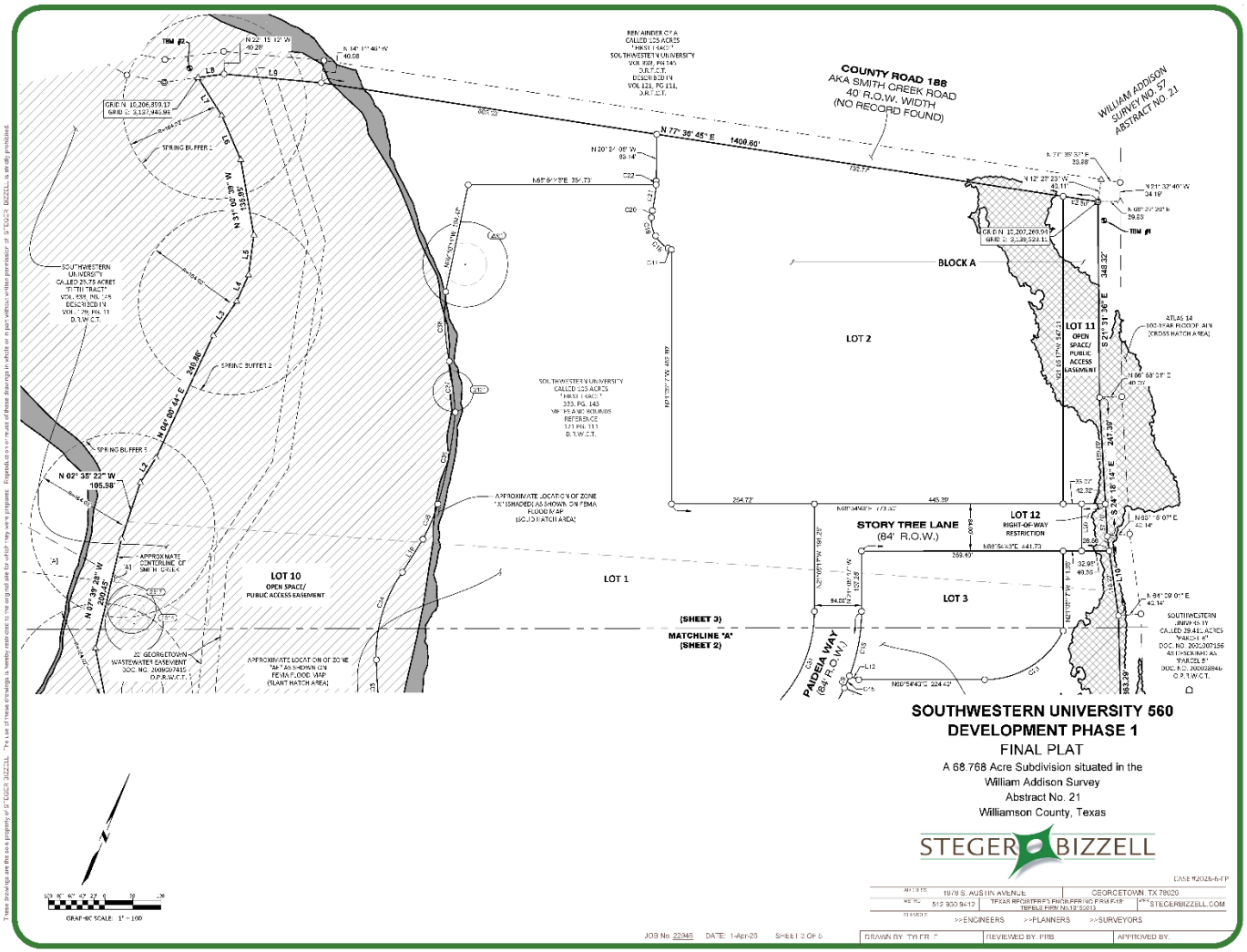
# Exhibit "B"
# Depiction of Phase I Project




| STREET CLASSIFICATION TABLE | | | | | | | |
|---|---|---|---|---|---|---|---|
| ROADWAY | ROW | NO. OF LANES | CURB BASIS | SIDEWALKS UP | PAVING | PARKING | BIKE FACILITY |
| PAIDEIA WAY | 84' | 2 | 17', 17' | YES, 10' | 50' | 2-SIDES PARALLEL & DIAGONAL | PROTECTED 2-WAY |
| GOLDEN POPPY DRIVE | 84' | 2 | 17', 17' | YES, 10' | 50' | 2-SIDES PARALLEL & DIAGONAL | PROTECTED 2-WAY |
| STORY TREE LANE | 84' | 2 | 17', 17' | YES, 10' | 50' | 2-SIDES PARALLEL & DIAGONAL | PROTECTED 2-WAY |
| STORY TREE LANE | 84' | 2 | 17', 17' | YES, 10' | 50' | 1-SIDE PARALLEL | PROTECTED 2-WAY |

| STREET CLASSIFICATION TABLE (CONTINUED) | |
|---|---|
| ROADWAY | STREET CLASSIFICATION TYPE |
| PAIDEIA WAY | COLLECTOR STREET WITH DIAGONAL/PARALLEL PARKING |
| GOLDEN POPPY DRIVE | COLLECTOR STREET WITH DIAGONAL/PARALLEL PARKING |
| STORY TREE LANE | COLLECTOR STREET WITH DIAGONAL/PARALLEL PARKING |
| STORY TREE LANE | LOCAL STREET WITH SHARED-USE PATH |


SOUTHWESTERN UNIVERSITY 560
DEVELOPMENT PHASE 1
FINAL PLAT
A 68.768 Acre Subdivision situated in the
William Addison Survey
Abstract No. 21
Williamson County, Texas
STEGER BIZZELL
GOLDEN POPPY DRIVE
( R.O.W. VARIES)
PAIDEIA WAY
(84' R.O.W.)
STATE HIGHWAY NO 29
AKA UNIVERSITY AVENUE
(R.O.W. VARIES)
COUNTY ROAD 188
AKA SMITH CREEK ROAD
40' R.O.W. WIDTH
(NO RECORD FOUND)
LOT 1
LOT 3
LOT 4
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 10
BLOCK A
[SHEET 3]
MATCHLINE "A"
[SHEET 2]
P.O.B.
DETAIL "A" 1" = 20'
GRAPHIC SCALE: 1" = 100'
JOB No. 22548 DATE: 1 Apr 26 SHEET 2 OF 5
DRAWN BY: TYLER E
REVIEWED BY: PHS
APPROVED BY:
>>ENGINEERS >>PLANNERS >>SURVEYORS


COUNTY ROAD 188
AKA SMITH CREEK ROAD
40' R.O.W. WIDTH
(NO RECORD FOUND)
WILLIAM ADDISON SURVEY NO. 57 ABSTRACT NO. 21
N 77° 36' 45" E 1400.60'
BLOCK A
LOT 2
LOT 1
LOT 3
LOT 10
OPEN SPACE/
PUBLIC ACCESS EASEMENT
LOT 11
OPEN SPACE/ PUBLIC ACCESS EASEMENT
LOT 12
RIGHT-OF-WAY RESTRICTION
STORY TREE LANE
(84' R.O.W.)
PAIDEIA WAY
(84' R.O.W.)
(SHEET 3)
MATCHLINE "A"
(SHEET 2)
SPRING BUFFER 1
SPRING BUFFER 2
SPRING BUFFER 3
N 02° 35' 22" W
105.38'
N 04° 06' 44" E
260.86'
N 37° 55' E
SOUTHWESTERN UNIVERSITY 560
DEVELOPMENT PHASE 1
FINAL PLAT
A 68.768 Acre Subdivision situated in the
William Addison Survey
Abstract No. 21
Williamson County, Texas
STEGER BIZZELL
1978 S. AUSTIN AVENUE
GEORGETOWN, TX 78626
512 930 9412
TEXAS REGISTERED ENGINEERING FIRM F-10
TBPELS FIRM No. 10 10010
STEGERBIZZELL.COM
>>ENGINEERS >>PLANNERS >>SURVEYORS
GRAPHIC SCALE 1" = 100'
JOB No. 22345 DATE: 1-Apr-23 SHEET 3 OF 6
DRAWN BY: TYLER F. REVIEWED BY: PRB APPROVED BY:

| Tree Tag # | Size-as Surveyed | Size in Whole Inches | Remove | KEY | Multi Stem (If Yes, Select "X") | Stem Measurements (Only if "Y" In Column I) | Half Critical Root Zone, Radius (In Feet) | Common Name | Latin Name |
|---|---|---|---|---|---|---|---|---|---|
| 2081 | 76 | 76 | | HT | X | 42-28-27-12 | 38.0 | LIVE OAK | Quercus virginiana |
| 2131 | 36 | 36 | | HT | X | 27-10-7 | 18.0 | CEDAR ELM | Ulmus crassifolia |
| 2314 | 52 | 52 | | HT | | | 26.0 | LIVE OAK | Quercus virginiana |
| 2317 | 43 | 43 | | HT | | | 21.5 | LIVE OAK | Quercus virginiana |
| 2320 | 37 | 37 | | HT | X | 19-19-17 | 18.5 | LIVE OAK | Ulmus crassifolia |
| 2326 | 28 | 28 | | HT | | | 14.0 | CEDAR ELM | Quercus virginiana |
| 2374 | 29 | 29 | | HT | X | 17-12-6-6 | 14.5 | CEDAR ELM | Prosopis |
| 2410 | 26 | 26 | | HT | | | 13.0 | CEDAR ELM | Ulmus crassifolia |
| 2441 | 36 | 36 | | HT | | | 18.0 | COTTON WOOD | Populus deltoides |
| 2448 | 26 | 26 | | HT | | | 13.0 | WILLOW | Salix |
| 2458 | 27 | 27 | | HT | X | 12-10-7-6-6 | 13.5 | GUM BUMELIA | Sideroxylon lanuginosum |
| 2459 | 30 | 30 | | HT | X | 21-18 | 15.0 | WILLOW | Salix |

**DESCRIPTION OF 68.768 ACRES**

DESCRIPTION OF A 68.768 ACRE TRACT OF LAND LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NO. 21, WILLIAMSON COUNTY, TEXAS, BEING PART OF A CALLED 103 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 133, PAGE 145, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS (DR), BEING DESCRIBED IN VOLUME 121, PAGE 111, DR, PART OF A CALLED 79 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 359, PAGE 242, DR, PART OF A CALLED 25.25 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY BY DEED, OF RECORD IN VOLUME 355, PAGE 145, DR, BEING DESCRIBED IN VOLUME 129, PAGE 11, DR, AND PART OF A CALLED 11.75 ACRE TRACT OF LAND CONVEYED TO SOUTHWESTERN UNIVERSITY IN VOLUME 133, PAGE 145, BEING DESCRIBED IN VOLUME 184, PAGE 583, DR, SAID 68.768 ACRE TRACT OF LAND BEING SURVEYED ON THE GROUND IN JULY AND AUGUST, 2020, UNDER THE SUPERVISION OF PATRICK L. STEVENS, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT-OF-WAY OF STATE HIGHWAY NO 29, ALSO KNOWN AS UNIVERSITY AVENUE, A VARIABLE WIDTH RIGHT-OF-WAY, SAME BEING A SOUTH-WESTERLY CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE, OVER AND ACROSS THE AFOREMENTIONED SOUTHWESTERN UNIVERSITY TRACTS, WITH THE CENTERLINE OF SAID SMITH BRANCH, SAME BEING THE WEST LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING FIFTEEN (15) COURSES AND DISTANCES:

1. NORTH 20° 48' 17" WEST, A DISTANCE OF 304.96 FEET TO A POINT;
2. NORTH 49° 27' 26" WEST, A DISTANCE OF 276.74 FEET TO A POINT;
3. NORTH 51° 30' 23" WEST, A DISTANCE OF 65.64 FEET TO A POINT;
4. NORTH 42° 32' 02" WEST, A DISTANCE OF 124.19 FEET TO A POINT;
5. NORTH 42° 13' 06" WEST, A DISTANCE OF 173.82 FEET TO A POINT;
6. NORTH 02° 39' 26" WEST, A DISTANCE OF 200.43 FEET TO A POINT;
7. NORTH 02° 15' 22" WEST, A DISTANCE OF 105.98 FEET TO A POINT;
8. NORTH 11° 16' 53" EAST, A DISTANCE OF 51.97 FEET TO A POINT;
9. NORTH 04° 06' 44" EAST, A DISTANCE OF 248.06 FEET TO A POINT;
10. NORTH 13° 38' 23" EAST, A DISTANCE OF 73.47 FEET TO A POINT;
11. NORTH 08° 04' 37" EAST, A DISTANCE OF 53.24 FEET TO A POINT;
12. NORTH 13° 18' 40" WEST, A DISTANCE OF 73.10 FEET TO A POINT;
13. NORTH 31° 00' 39" WEST, A DISTANCE OF 135.95 FEET TO A POINT;
14. NORTH 44° 18' 00" WEST, A DISTANCE OF 45.61 FEET TO A POINT; AND
15. NORTH 53° 23' 14" WEST, A DISTANCE OF 79.63 FEET TO A POINT IN THE SOUTH LINE OF COUNTY ROAD 185, ALSO KNOWN AS SMITH CREEK ROAD, SE NO A 40 FOOT WIDE RIGHT-OF-WAY (NO RECORD FOUND), FOR THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;

THENCE, WITH THE SOUTH LINE OF SAID SMITH CREEK ROAD, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. NORTH 61° 04' 53" EAST, A DISTANCE OF 47.17 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. NORTH 74° 06' 52" EAST, A DISTANCE OF 173.09 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. NORTH 77° 36' 45" EAST, A DISTANCE OF 1,400.60 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE SOUTH AND WEST LINE OF SAID SMITH CREEK ROAD FOR THE NORTHEAST CORNER OF HEREIN DESCRIBED TRACT;

THENCE, WITH THE WEST LINE OF SAID SMITH CREEK ROAD THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. SOUTH 21° 51' 38" EAST, A DISTANCE OF 346.32 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
2. SOUTH 24° 18' 24" EAST, A DISTANCE OF 247.39 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
3. SOUTH 27° 05' 31" EAST, A DISTANCE OF 342.85 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
4. SOUTH 27° 32' 01" EAST, A DISTANCE OF 363.25 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET;
5. SOUTH 21° 57' 08" EAST, A DISTANCE OF 258.94 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
6. SOUTH 21° 59' 08" EAST, A DISTANCE OF 359.64 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET IN THE NORTH RIGHT-OF-WAY OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, AND IN THE WEST LINE OF SAID SMITH CREEK ROAD, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, WITH THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING A SOUTH LINE OF SAID 76 ACRE TRACT, AND THE SOUTH LINE OF THE HEREIN DESCRIBED TRACT, THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 70° 56' 55" WEST, A DISTANCE OF 1,800.33 FEET TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET, AT THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1,950.04 FEET;
2. ALONG SAID CURVE TO THE LEFT, AN ARC DISTANCE OF 204.81 FEET, THROUGH A CENTRAL ANGLE OF 06° 01' 04", AND A CHORD WHICH BEARS SOUTH 73° 56' 55" WEST, A DISTANCE OF 204.72 FEET, TO A 1/2" IRON ROD WITH CAP STAMPED "STEGER BIZZELL" SET; AND
3. SOUTH 68° 55' 55" WEST, A DISTANCE OF 974.11 FEET TO A COTTON SPINDLE WITH WASHER STAMPED "STEGER BIZZELL" SET IN THE CENTERLINE OF SMITH BRANCH, IN THE NORTH LINE OF SAID UNIVERSITY AVENUE, SAME BEING THE SOUTH LINE OF SAID 76 ACRE TRACT, FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND POINT OF BEGINNING, CONTAINING 68.768 ACRES OF LAND, MORE OR LESS, WITHIN THESE METES AND BOUNDS.

**Curve Table**

| Curve # | Length | Radius | Delta | Bearing | Chord |
|---|---|---|---|---|---|
| C1 | 204.81' | 1950.04' | 006°01'04" | S 71°56'55" W | 204.72' |
| C2 | 65.24' | 1950.04' | 001°55'00" | S 73°58'55" W | 65.23' |
| C3 | 84.11' | 1950.04' | 002°28'17" | S 71°47'13" W | 84.11' |
| C4 | 55.40' | 1950.04' | 001°37'07" | S 69°44'17" W | 55.40' |
| C5 | 132.41' | 179.01' | 042°22'44" | N 42°16'38" W | 129.41' |
| C6 | 14.41' | 50.54' | 016°19'54" | N 12°47'33" W | 14.36' |
| C7 | 29.53' | 63.01' | 026°58'43" | N 18°03'23" W | 29.38' |
| C8 | 9.89' | 10.00' | 055°31'44" | N 03°45'49" W | 9.32' |
| C9 | 250.28' | 318.04' | 045°05'20" | N 01°27'23" E | 243.87' |
| C10 | 9.09' | 10.00' | 056°38'31" | S 82°46'22" E | 9.40' |
| C11 | 30.14' | 63.01' | 027°24'17" | S 68°08'51" E | 29.85' |
| C12 | 10.61' | 10.00' | 060°45'43" | S 51°26'08" E | 10.12' |
| C13 | 70.20' | 95.01' | 042°22'01" | S 42°16'18" E | 68.67' |
| C14 | 109.28' | 318.04' | 019°41'16" | N 14°09'26" E | 108.75' |
| C15 | 23.39' | 318.04' | 004°12'52" | N 02°11'20" E | 23.39' |
| C16 | 117.60' | 318.04' | 021°11'11" | N 10°29'41" W | 116.93' |
| C17 | 6.86' | 60.16' | 006°20'42" | N 88°19'48" W | 6.86' |
| C18 | 31.35' | 51.86' | 035°01'21" | N 86°01'10" W | 31.10' |
| C19 | 33.97' | 55.70' | 034°50'48" | N 34°11'46" W | 33.35' |
| C20 | 12.35' | 71.50' | 009°53'41" | N 12°52'18" W | 12.33' |

**Record Curve Table**

| Curve # | Length | Radius | Delta | Bearing | Chord |
|---|---|---|---|---|---|
| (C1) | 204.78' | 1950.04' | 6°01'01" | S 71°56'56" W | 204.69' |

**Curve Table**

| Curve # | Length | Radius | Delta | Bearing | Chord |
|---|---|---|---|---|---|
| C21 | 46.43' | 298.85' | 008°58'20" | N 13°13'02" W | 46.44' |
| C22 | 6.84' | 298.85' | 001°19'16" | N 18°21'50" W | 6.84' |
| C23 | 173.78' | 155.26' | 064°07'52" | N 37°03'15" E | 164.85' |
| C24 | 204.24' | 130.00' | 090°00'54" | N 23°54'42" E | 183.87' |
| C25 | 102.12' | 65.01' | 090°00'00" | N 23°54'42" E | 91.94' |
| C26 | 320.50' | 204.00' | 090°00'56" | N 23°54'30" E | 288.54' |
| C27 | 11.39' | 204.00' | 003°11'16" | S 19°29'46" E | 11.39' |
| C28 | 124.07' | 204.00' | 034°50'41" | S 00°28'54" E | 122.18' |
| C29 | 165.08' | 204.00' | 051°58'53" | S 42°56'46" W | 176.80' |
| C30 | 47.04' | 60.15' | 044°46'22" | N 48°27'23" W | 45.85' |
| C31 | 184.17' | 234.04' | 045°05'19" | N 01°27'25" E | 179.46' |
| C32 | 80.18' | 746.85' | 006°08'59" | N 24°48'57" W | 80.12' |
| C33 | 97.34' | 953.93' | 005°50'47" | N 25°19'16" W | 97.29' |
| C34 | 165.50' | 253.99' | 037°19'56" | N 04°27'31" W | 162.68' |
| C35 | 68.32' | 338.54' | 011°33'36" | N 01°54'30" E | 68.19' |
| C36 | 168.43' | 868.51' | 010°39'47" | N 10°17'27" W | 168.18' |
| C37 | 91.33' | 1124.90' | 004°39'18" | N 27°43'20" W | 91.31' |
| C38 | 124.40' | 431.41' | 016°31'21" | N 24°04'55" W | 123.97' |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L1 | N 51°50'23" W | 65.64' |
| L2 | N 11°16'53" E | 51.97' |
| L3 | N 13°38'23" E | 73.47' |
| L4 | N 08°04'37" E | 53.24' |
| L5 | N 13°18'40" W | 72.10' |
| L6 | N 44°18'00" W | 85.61' |
| L7 | N 53°23'14" W | 79.63' |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L8 | N 61°04'53" E | 47.17' |
| L9 | N 74°06'52" E | 173.09' |
| L10 | S 39°06'31" E | 142.88' |
| L11 | N 63°28'45" W | 76.18' |
| L12 | S 89°01'01" E | 17.75' |
| L13 | S 89°01'01" W | 53.74' |
| L14 | N 21°05'17" W | 39.57' |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L15 | N 08°54'43" E | 9.99' |
| L16 | N 21°05'17" W | 9.99' |
| L17 | N 24°00'03" E | 102.67' |
| L18 | N 69°05'04" W | 114.79' |
| L19 | N 10°53'29" E | 85.12' |
| L20 | S 21°01'39" E | 84.00' |

**SOUTHWESTERN UNIVERSITY 560**
**DEVELOPMENT PHASE 1**
FINAL PLAT
A 68.768 Acre Subdivision situated in the
William Addison Survey
Abstract No. 21
Williamson County, Texas

STEGER BIZZELL

CASE #2026-6-FP

ADDRESS 1978 S. AUSTIN AVENUE GEORGETOWN, TX 78626
PHONE 512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-928 TBPELS FIRM No 10124500 | WWW.STEGERBIZZELL.COM
>>ENGINEERS >>PLANNERS >>SURVEYORS

JOB No. 23640 DATE: 1-Apr-26 SHEET 4 OF 5 DRAWN BY: TYLER E. REVIEWED BY: PRS APPROVED BY:

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STATE OF TEXAS (
KNOW ALL MEN BY THESE PRESENTS
COUNTY OF WILLIAMSON (

I, RICHARD MADONNA, VICE PRESIDENT OF FINANCE AND ADMINISTRATION, SOUTHWESTERN UNIVERSITY, OWNER OF SAID 68.768 ACRES SITUATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT NUMBER 21, DO HEREBY CERTIFY THERE ARE NO EASEMENT HOLDERS EXCEPT AS SHOWN HEREON; DO HEREBY SUBDIVIDE SAID TRACT AS SHOWN HEREON; DO HEREBY COVENANT TO ALL RESTRICTIONS LISTED HEREIN, WHICH SHALL RUN WITH THE LAND; AND DO HEREBY DEDICATE TO CITY OF GEORGETOWN THE STREETS, ALLEYS, RIGHTS OF WAY, EASEMENTS AND PUBLIC PLACES SHOWN HEREON FOR SUCH PUBLIC PURPOSES AS CITY OF GEORGETOWN MAY DEEM APPROPRIATE. I HEREBY BIND MY HEIRS, SUCCESSORS, AND ASSIGNS TO WARRANT AND FOREVER DEFEND SUCH DEDICATIONS ALL AND SINGULAR, TO WILLIAMSON COUNTY AGAINST EVERY PERSON WHOMSOEVER CLAIMING OR TO CLAIM THE SAME OR ANY PART THEREOF. THIS SUBDIVISION IS TO BE KNOWN AS:

**SOUTHWESTERN UNIVERSITY 560 DEVELOPMENT PHASE 1A**

TO CERTIFY WHICH, WITNESS BY MY HAND THIS _____ DAY OF _____, 2025.

SOUTHWESTERN UNIVERSITY

BY: _____
NAME: RICHARD MADONNA
TITLE: VICE PRESIDENT OF FINANCE AND ADMINISTRATION

STATE OF TEXAS (
KNOW ALL MEN BY THESE PRESENTS
COUNTY OF WILLIAMSON (

BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, ON THIS _____ DAY OF _____, 20__, A.D. DID PERSONALLY APPEAR TO ME, KYLE HUDSON, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 2025.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

MY COMMISSION EXPIRES ON _____

I, _____, PLANNING DIRECTOR OF THE CITY OF GEORGETOWN, TEXAS, DO HEREBY CERTIFY THIS PLAT IS APPROVED FOR FILING OF RECORD WITH THE COUNTY CLERK OF WILLIAMSON COUNTY, TEXAS.

_____ _____
DATE

BASED UPON THE ABOVE REPRESENTATIONS OF THE ENGINEER OR SURVEYOR WHOSE SEAL IS AFFIXED HERETO, AND AFTER REVIEW OF THE PLAT AS REPRESENTED BY THE SAID ENGINEER OR SURVEYOR, I FIND THAT THIS PLAT COMPLIES WITH THE REQUIREMENTS OF CHAPTER 15.44, FLOOD DAMAGE PREVENTION, OF THE CITY OF GEORGETOWN MUNICIPAL CODE. THIS CERTIFICATION IS MADE SOLELY UPON SUCH REPRESENTATIONS AND SHOULD NOT BE RELIED UPON FOR VERIFICATIONS OF THE FACTS ALLEGED. THE CITY OF GEORGETOWN DISCLAIMS ANY RESPONSIBILITY TO ANY MEMBER OF THE PUBLIC FOR INDEPENDENT VERIFICATION OF THE REPRESENTATIONS, FACTUAL OR OTHERWISE, CONTAINED IN THIS PLAT AND THE DOCUMENTS ASSOCIATED WITH IT.

_____ _____
WESLEY WRIGHT, P.E., CFM DATE
CITY OF GEORGETOWN
FLOODPLAIN ADMINISTRATOR

BEARING BASIS:
BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE (NAD_83 (2011)). ALL DISTANCES SHOWN HEREON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.00013.

FLOOD NOTE:
BY GRAPHIC PLOTTING ONLY, THIS PROPERTY IS IN ZONE X (NOT SHADED) - AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, ZONE X (SHADED) - AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD, AND SPECIAL FLOOD HAZARD ZONE AE - BASE FLOOD ELEVATIONS DETERMINED AS DEFINED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY, FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NO. 48491C0293F AND 48491C0294F, THAT BEARS A REVISED DATE OF DECEMBER 20, 2019. THE SURVEYOR MAKES NO ASSURANCE AS TO THE ACCURACY OF THE DELINEATIONS SHOWN ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP. THIS STATEMENT IS FOR INSURANCE PURPOSES ONLY AND IS NOT AN OPINION THAT THE PROPERTY WILL OR WILL NOT FLOOD. A FLOOD STUDY WAS NOT CONDUCTED ON THE PROPERTY.

PLAT NOTES:
1. UTILITY PROVIDERS FOR THIS DEVELOPMENT ARE WATER: CITY OF GEORGETOWN, WASTEWATER: CITY OF GEORGETOWN, ELECTRIC: GEORGETOWN ELECTRIC UTILITY AND ONCOR.
2. ALL STRUCTURES/OBSTRUCTIONS ARE PROHIBITED IN DRAINAGE EASEMENTS.
3. THERE ARE AREAS WITHIN THE BOUNDARIES OF THIS SUBDIVISION IN THE 100-YEAR FLOODPLAIN AS DEFINED BY FIRM MAP NUMBERS 48491C0293F AND 48491C0294F, THAT BEARS A REVISED DATE OF DECEMBER 20, 2019.
4. NO DEVELOPMENT SHALL BEGIN PRIOR TO THE ISSUANCE OF A FLOODPLAIN DEVELOPMENT PERMIT FOR EACH OF THE FOLLOWING LOTS: 6 & 11.
5. IN ORDER TO PROMOTE DRAINAGE AWAY FROM A STRUCTURE, THE SLAB ELEVATION SHOULD BE BUILT AT LEAST ONE FOOT ABOVE THE SURROUNDING GROUND, AND THE GROUND SHOULD BE GRADED AWAY FROM THE STRUCTURE AT A SLOPE OF 1/2" PER FOOT FOR A DISTANCE OF AT LEAST 10 FEET.
6. ALL SEDIMENTATION, FILTRATION, DETENTION, AND/OR RETENTION BASINS AND RELATED APPURTENANCES SHOWN SHALL BE SITUATED WITHIN A DRAINAGE EASEMENT OR DRAINAGE LOT. THE OWNERS, HOA, OR ASSIGNEES OF THE TRACTS UPON WHICH ARE LOCATED SUCH EASEMENTS, APPURTENANCES, AND DETENTION FACILITIES SHALL MAINTAIN SAME AND BE RESPONSIBLE FOR THEIR MAINTENANCE, ROUTINE INSPECTION, AND UPKEEP.
7. PARKLAND OBLIGATIONS MET IN ACCORDANCE WITH SOUTHWESTERN UNIVERSITY PUD # 2010-46, AS AMENDED.
8. ANY HERITAGE TREE AS NOTED ON THIS PLAT IS SUBJECT IN PERPETUITY TO THE MAINTENANCE, CARE, PRUNING AND REMOVAL REQUIREMENTS OF CITY OF GEORGETOWN, APPROVED REMOVAL DOES NOT REQUIRE MODIFICATION OF THE PLAT.
9. ALL INDIVIDUAL LOTS CONTAINING HERITAGE TREES ARE CONFIGURED AND DESIGNED SO THAT THE LOT IS DEVELOPABLE FOR THE INTENDED PURPOSE WITHOUT REQUIRING REMOVAL OF THE HERITAGE TREES OR EXCEEDING THE PERCENTAGE OF ALLOWABLE DISTURBANCE WITHIN THE HERITAGE TREES CRZ.
10. THE MONUMENTS OF THE PLAT HAVE BEEN ROTATED TO THE NAD 83/93 HARN - TEXAS CENTRAL ZONE AND NAVD 88. NO BUILDINGS, FENCES, LANDSCAPING OR OTHER STRUCTURES ARE PERMITTED IN DRAINAGE EASEMENTS EXCEPT AS APPROVED BY THE CITY GEORGETOWN.
11. IMPERVIOUS COVER PLAT NOTES - NON RESIDENTIAL LOTS:
- THE MAXIMUM IMPERVIOUS COVER IS SUBJECT TO THE SOUTHWESTERN UNIVERSITY PLANNED UNIT DEVELOPMENT (PUD) AMENDMENT NO. TWO CASE NO. 2025-1-PUD
12. THE LANDOWNER ASSUMES ALL RISKS ASSOCIATED WITH IMPROVEMENTS LOCATED IN THE RIGHT-OF-WAY, OR ROAD WIDENING EASEMENTS, BY PLACING ANYTHING IN THE RIGHT OF WAY OR ROAD WIDENING EASEMENTS. THE LANDOWNER DEFENDS AND HOLDS THE CITY OF GEORGETOWN, WILLIAMSON COUNTY, THEIR OFFICERS, AGENTS AND EMPLOYEES HARMLESS FROM ANY LIABILITY OWING TO PROPERTY DEFECTS OR NEGLIGENCE NOT ATTRIBUTABLE TO THEM AND ACKNOWLEDGES THAT THE IMPROVEMENTS MAY BE REMOVED BY THE CITY AND/OR COUNTY AND THAT THE OWNER OF THE IMPROVEMENTS WILL BE RESPONSIBLE FOR THE RELOCATION AND/OR REPLACEMENT OF THE IMPROVEMENTS.
13. THE BUILDING OF ALL STREETS, ROADS, AND OTHER PUBLIC THOROUGHFARES AND ANY BRIDGES OR CULVERTS NECESSARY TO BE CONSTRUCTED OR PLACED IN THE RESPONSIBILITY OF THE OWNERS OF THE TRACT OF LAND COVERED BY THIS PLAT IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS PRESCRIBED BY THE CITY OF GEORGETOWN AND/OR WILLIAMSON COUNTY, TEXAS. NEITHER THE CITY OF GEORGETOWN NOR WILLIAMSON COUNTY ASSUMES ANY OBLIGATION TO BUILD ANY OF THE STREETS, ROADS, OR OTHER PUBLIC THOROUGHFARES SHOWN ON THIS PLAT OR OF CONSTRUCTING ANY OF THE BRIDGES OR DRAINAGE IMPROVEMENTS IN CONNECTION THEREWITH. NEITHER THE CITY OF GEORGETOWN NOR WILLIAMSON COUNTY ASSUMES ANY RESPONSIBILITY FOR DRAINAGE WAYS OR EASEMENTS IN THE SUBDIVISION, OTHER THAN THOSE DRAINING OR PROTECTING THE ROAD SYSTEM AND STREETS IN THEIR RESPECTIVE JURISDICTIONS.
14. NEITHER THE CITY OF GEORGETOWN NOR WILLIAMSON COUNTY ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OF REPRESENTATIONS BY OTHER PARTIES IN THIS PLAT. FLOODPLAIN DATA, IN PARTICULAR, MAY CHANGE DEPENDING ON SUBSEQUENT DEVELOPMENT. IT IS FURTHER UNDERSTOOD THAT THE OWNERS OF THE TRACT OF LAND COVERED BY THIS PLAT MUST INSTALL AT THEIR OWN EXPENSE ALL TRAFFIC CONTROL DEVICES AND SIGNAGE THAT MAY BE REQUIRED BEFORE THE STREETS IN THE SUBDIVISION HAVE FINALLY BEEN ACCEPTED FOR MAINTENANCE BY THE CITY AND/OR COUNTY.
15. RIGHT-OF-WAY EASEMENTS FOR WIDENING ROADWAYS OR IMPROVING DRAINAGE SHALL BE MAINTAINED BY THE LANDOWNER UNTIL ROAD OR DRAINAGE IMPROVEMENTS ARE ACTUALLY CONSTRUCTED ON THE PROPERTY. THE CITY AND/OR COUNTY HAVE THE RIGHT AT ANY TIME TO TAKE POSSESSION OF ANY ROAD WIDENING EASEMENT FOR CONSTRUCTION, IMPROVEMENT, OR MAINTENANCE OF THE ADJACENT ROAD.
16. UNLESS OTHERWISE NOTED HEREIN, ALL EASEMENT DEDICATED TO THE CITY OF GEORGETOWN BY THIS PLAT SHALL BE EXCLUSIVE TO THE CITY OF GEORGETOWN, AND GRANTOR COVENANTS THAT GRANTOR AND GRANTOR'S HEIRS, SUCCESSORS AND ASSIGNS SHALL NOT CONVEY ANY OTHER EASEMENT, LICENSE, OR CONFLICTING RIGHT TO USE IN ANY MANNER, THE AREA (OR ANY PORTION THEREOF) COVERED BY THIS GRANT.
17. ALL EASEMENTS DEDICATED TO THE CITY OF GEORGETOWN BY THIS PLAT ADDITIONALLY INCLUDED THE FOLLOWING RIGHTS: (1) THE RIGHT OF THE CITY TO CHANGE THE SIZE OF ANY FACILITIES INSTALLED, MAINTAINED, OR OPERATED WITHIN THE EASEMENT AREA; (2) THE RIGHT OF THE CITY TO RELOCATE ANY FACILITIES WITHIN THE EASEMENT AREA; AND (3) THE RIGHT OF THE CITY TO REMOVE FROM THE EASEMENT AREA ALL TREES AND PARTS THEREOF, OR OTHER OBSTRUCTIONS, WHICH ENDANGER OR MAY INTERFERE WITH THE EFFICIENCY AND MAINTENANCE OF ANY FACILITIES WITHIN THE EASEMENT AREA.
18. THIS PLAT IS SUBJECT TO THE PROVISIONS OF THE CITY OF GEORGETOWN WATER CONSERVATION ORDINANCE.
19. THE SUBDIVISION SUBJECT TO THIS APPLICATION IS SUBJECT TO THE WATER QUALITY REGULATION OF THE CITY OF GEORGETOWN.
20. A GEOLOGIC ASSESSMENT, IN ACCORDANCE WITH THE CITY OF GEORGETOWN WATER QUALITY REGULATIONS, WAS COMPLETED ON (DATE). ANY SPRINGS AND STREAMS AS IDENTIFIED IN THE GEOLOGIC ASSESSMENT ARE SHOWN HEREIN.
21. STATE-OWNED RIVERBEDS AND BEDS OF NAVIGABLE STREAMS IN THE PUBLIC DOMAIN ARE HELD IN TRUST FOR THE PUBLIC. THERE IS HEREBY GRANTED FOR THE USE AND BENEFIT OF THE PUBLIC A CONTINUING ACCESS EASEMENT FOR THE FREE AND UNOBSTRUCTED USE OF THE NAVIGABLE RIVER AND THE RIGHT OF PORTAGE ALONG ITS BANKS, ACROSS ANY PORTION OF THE PROPERTY BETWEEN THE MEAN HIGH-WATER MARKS OF THE RIVER IN ITS NATURAL STATE.
22. THE DEVELOPMENT SHOWN HEREON IS SUBJECT TO THE SOUTHWESTERN UNIVERSITY PLANNED UNIT DEVELOPMENT (PUD) AMENDMENT NO. TWO CASE NO. 2025-1-PUD. UNLESS OTHERWISE REQUIRED, AMENDMENT, REVISION, OR REPEAL OF THAT ORDINANCE SHALL NOT REQUIRE MODIFICATION OF THIS PLAT.
23. THERE IS HEREBY GRANTED FOR THE USE AND BENEFIT OF THE PUBLIC A CONTINUING AVIGATION EASEMENT FOR THE FREE AN UNOBSTRUCTED FLIGHT OF AIRCRAFT (WHICH TERM SHALL INCLUDE ANY CONTRIVANCE NOW OR HEREAFTER USED FOR FLIGHT THROUGH THE AIR) AND THE RIGHT OF FLIGHT FOR THE PASSAGE OF AIRCRAFT IN THE AIR SPACE ABOVE THE SURFACE OF THE PROPERTY, TOGETHER WITH SUCH NOISE AND OTHER EFFECTS AS MAY BE INHERENT IN THE OPERATION OF AIRCRAFT LANDING AT, TAKING OFF FROM, OR ENGAGED IN OTHER FLIGHT ACTIVITIES AT THE GEORGETOWN MUNICIPAL AIRPORT.
24. GRANTOR DO HEREBY GRANT AND CONVEY AN EASEMENT FOR THE CONICAL ZONE, AS THAT TERM IS DEFINED IN SECTION 12.06 OF THE CITY OF GEORGETOWN CODE OF ORDINANCES AND AS SHOWN ON THIS PLAT, BEING FURTHER DESCRIBED AS (DESCRIBE ZONE AS IT RELATES TO THE PROPERTY).
25. THESE EASEMENTS SHALL BE PERPETUAL AND SHALL BE BINDING ON GRANTOR AND ITS ASSIGNS, HEIRS, AND SUCCESSORS.

I, MICHAEL V. REYES, REGISTERED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS SUBDIVISION IS IN THE EDWARDS AQUIFER RECHARGE AND TRANSITION ZONE AND IS ENCROACHED BY A ZONE "AE" AND ZONE X SHADED FLOOD AREA, AS DEPICTED HEREIN, AND AS DEFINED BY FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION FLOOD HAZARD BOUNDARY MAP, COMMUNITY PANEL NUMBER 48491C0293F AND 48491C0294F, BEARS A REVISED DATE OF DECEMBER 20, 2019, AND THAT EACH LOT CONFORMS TO THE CITY OF GEORGETOWN REGULATIONS. THE FULLY DEVELOPED, CONCENTRATED STORMWATER RUNOFF RESULTING FROM THE ONE HUNDRED (100) YEAR FREQUENCY STORM IS CONTAINED WITHIN THE DRAINAGE EASEMENTS SHOWN AND/OR PUBLIC RIGHTS-OF-WAY DEDICATED BY THIS PLAT.

TO CERTIFY WHICH, WITNESS MY HAND AND SEAL AT GEORGETOWN, WILLIAMSON COUNTY, TEXAS, THIS

_____ DAY OF _____, 2025.

_____
MICHAEL V. REYES, PE
REGISTERED PROFESSIONAL ENGINEER NO. 111964
505 BENNETTON DRIVE, UNIT A
AUSTIN, TX 78752

STATE OF TEXAS (
KNOW ALL MEN BY THESE PRESENTS
COUNTY OF WILLIAMSON (

I, PATRICK STEVENS, REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT MADE FROM AN ACTUAL SURVEY MADE ON THE GROUND OF THE PROPERTY LEGALLY DESCRIBED HEREON, AND THAT THERE ARE NO APPARENT DISCREPANCIES, CONFLICTS, OVERLAPPING OF IMPROVEMENTS, VISIBLE UTILITY LINES OR ROADS IN PLACE, EXCEPT AS SHOWN ON THE ACCOMPANYING PLAT, AND THAT THE CORNER MONUMENTS SHOWN THEREON WERE PROPERLY PLACED UNDER MY SUPERVISION IN ACCORDANCE WITH THE SUBDIVISION REGULATIONS OF THE CITY OF GEORGETOWN, TEXAS.

TO CERTIFY WHICH, WITNESS MY HAND AND SEAL THIS _____DAY OF _____, 2025.

PRELIMINARY: THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT. FOR REVIEW PURPOSES ONLY.

_____
PATRICK J. STEVENS
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 5784

STATE OF TEXAS (
KNOW ALL MEN BY THESE PRESENTS
COUNTY OF WILLIAMSON (

I, NANCY RISTER, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IN WRITING, WITH ITS CERTIFICATE WAS FILED FOR RECORD IN MY OFFICE ON THE_____ DAY OF_____, 20__, A.D., AT_____O'CLOCK,___ M., AND DULY RECORDED ON THE_____ DAY OF_____, 20__, A.D., AT ___ O'CLOCK, ___M., IN THE PLAT RECORDS OF SAID COUNTY IN DOCUMENT NO._____TO CERTIFY WHICH, WITNESS MY HAND AND SEAL AT THE COUNTY COURT OF SAID COUNTY, AT MY OFFICE IN GEORGETOWN, TEXAS THE DATE LAST SHOWN ABOVE WRITTEN.

NANCY RISTER, CLERK
COUNTY COURT OF WILLIAMSON COUNTY, TEXAS

BY:_____DEPUTY

**SOUTHWESTERN UNIVERSITY 560 DEVELOPMENT PHASE 1**
FINAL PLAT
A 68.768 Acre Subdivision situated in the
William Addison Survey
Abstract No. 21
Williamson County, Texas

STEGER BIZZELL
CASE #2026-6-FP
1978 S. AUSTIN AVENUE | GEORGETOWN, TX 78626
512.930.9412 | TEXAS REGISTERED ENGINEERING FIRM F-181 TBPELS FIRM No. 10188315 | STEGERBIZZELL.COM
>>ENGINEERS >>PLANNERS >>SURVEYORS

JOB No. 22948 DATE: 1 Apr 26 SHEET 5 OF 5 | DRAWN BY: TYLER, E | REVIEWED BY: PRB | APPROVED BY:

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# Exhibit "C"
# Description of Eligible Transportation Infrastructure

**STORY TREE LANE (NEW 84' PUBLIC ROW):**

Includes all costs to design, permit and install, including;
- -planning, engineering
- -construction materials testing
- -erosion controls, traffic controls
- -utility relocation
- -excavation, embankment
- -drainage, regional detention improvements
- -street improvements, sidewalks, handicap ramps
- -street light distribution system, street lights
- -pavement markings and signage
- -construction management fees (4% hard and soft)

**PAIDEIA WAY (NEW 84' PUBLIC ROW):**

Includes all costs to design, permit and install, including;
- -planning
- -engineering
- -construction materials testing
- -erosion controls, traffic controls
- -utility relocation
- -excavation, embankment
- -drainage, regional detention improvements
- -street improvements, sidewalks, handicap ramps
- -street light distribution system, street lights
- -pavement markings and signage
- -construction management fees (4% hard and soft)

**GOLDEN POPPY DRIVE (NEW 84' PUBLIC ROW):**

Includes all costs to design, permit and install, including;
- -planning
- -engineering
- -construction materials testing
- -erosion controls
- -traffic control
- -utility relocation
- -excavation, embankment
- -drainage, regional detention improvements
- -street improvements, sidewalks, handicap ramps
- -street light distribution system, street lights
- -pavement markings and signage
- -construction management fees (4% hard and soft)

**UNIVERSITY AVENUE (EXISTING ROW):**

Includes all costs to design, permit and install, including;
- -planning, engineering
- -construction materials testing
- -erosion controls, traffic controls
- -utility relocation
- -excavation, embankment
- -drainage improvements
- -street improvements, sidewalks, handicap ramps
- -pavement markings and signage
- -intersection, traffic signal improvements
- -construction management fees (4% hard and soft)

PHASE 1 PARCEL PLAN
**Southwestern University 560 Development**
Draft 4.13.2026 *Prepared for Southwestern University and Banbury Development by McCann Adams Studio*

0' 100' 200'
SCALE: 1" = 100'
(WHEN PRINTED ON 22"x28" SHEET)

# Exhibit "D"
# Waterline Easement

## WASTEWATER EASEMENT

**STATE OF TEXAS** §
§ **KNOW ALL BY THESE PRESENTS:**
**COUNTY OF WILLIAMSON** §

This Wastewater Easement (this "**Agreement**") is made on the _____ day of _____, 2026, by and between **SU 560 LAND HOLDINGS I, LLC**, a Texas limited liability company, whose address is c/o Southwestern University, 1001 E. University Avenue, Georgetown, Texas 78627 (hereinafter referred to as "**Grantor**"), and the **CITY OF GEORGETOWN**, a Texas home-rule municipal corporation, whose address is P.O. Box 409 Georgetown, Texas 78627, ATTN: Georgetown City Secretary (herein referred to as "**Grantee**").

1. For the good and valuable consideration described in Paragraph 2 below, Grantor hereby GRANTS and CONVEYS to Grantee, its successors and assigns, subject to the Permitted Encumbrances (as hereinafter defined) and the terms and conditions set forth in this Agreement, an easement and right-of-way (the "**Easement**") for the placement, construction, operation, repair, maintenance, replacement, upgrade, rebuilding, relocation and/or removal of wastewater lines and related facilities (collectively, the "**Facilities**") on, over, under, and across the following described property of the Grantor, to wit:

   > Being all that certain tract, piece or parcel of land lying and being situated in the County of Williamson, State of Texas, being more particularly described by metes and bounds in **Exhibit A** and by diagram in **Exhibit B** attached hereto and made a part hereof for all purposes (the "**Easement Area**").

2. The Easement and the rights and privileges herein conveyed are granted for and in consideration of the sum of One and No/100 Dollars ($1.00) and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed.

3. The Easement, with its rights and privileges, shall be used only for the purpose of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, upgrading, relocating, and/or removing the Facilities within the Easement Area (the "**Easement Purpose**"). The Easement Purpose additionally includes the following rights: (1) the right to change the size of the Facilities; (2) the right to relocate the Facilities within the Easement Area; and (3) the right to remove from the Easement Area all trees and parts thereof, or other obstructions, which endanger or may unreasonably interfere with the efficiency and maintenance of the Facilities. Grantor reserves, and Grantor, its successors and assigns, shall have the right, commencing after the construction and installation of the Facilities by Grantee, to install, maintain and use the surface of the Easement Area for landscaping which has no invasive roots, signs, driveways, roads, and sidewalks (collectively, the "**Surface Improvements**").

4. The duration of the Easement is perpetual.

5. Grantor and Grantor's heirs, personal representatives, successors, and assigns are and shall be bound to WARRANT and FOREVER DEFEND the Easement and the rights conveyed in this Agreement to Grantee and Grantee's successors and assigns, against every person lawfully claiming or to claim all or any part thereof, by, through or under Grantor by not otherwise; subject to the matters set forth herein and further subject to all matters of record in Williamson County, Texas, which are valid, subsisting, and affect the Easement Area (the "**Permitted Encumbrances**").

6. The Easement, and the rights and privileges granted by this Agreement, are EXCLUSIVE to Grantee, and Grantee's successors and assigns, and Grantor covenants that Grantor shall not convey any other easement, license, or conflicting right to use in any manner, the area (or any portion thereof) covered by this grant. Notwithstanding the foregoing, Grantor reserves for itself and its successors and assigns the right to construct, place, maintain, inspect, operate, repair, alter, replace and remove driveways, roadways, curbing, gutters, sidewalks, landscaping (other than trees), and irrigation (collectively the "Grantor Improvements"), as well as utilities including water, wastewater, gas, telecommunications, and electrical lines and related facilities (collectively, "Grantor Utilities"), across the Easement Area, and Grantee expressly consents to the use of the Easement Area for such purposes. Grantor's rights reserved in this paragraph are subject to the following requirements:
   a) The construction, placement, maintenance, inspection, operation, repair, alteration, replacement, and/or removal of the Grantor Improvements and the Grantor Utilities shall not materially interfere with the rights granted to Grantee herein;
   b) Any Grantor Utilities shall cross the Facilities at an angle no less than 45 degrees, at a depth to provide sufficient separation from the Facilities (as determined by Grantee in its sole and absolute discretion, and such determination must be made in writing by Grantee after Grantee has had an opportunity to review the plans related to any Grantor Utilities crossing the Facilities), and may not run parallel with the Facilities;
   c) Grantor shall provide Grantee at least 72 hours' written notice prior to commencing any work within the Easement Area;
   d) Grantor hereby RELEASES and HOLDS GRANTEE HARMLESS from any responsibility and liability to repair, replace, maintain, or compensate Grantor for damages to improvements within the Easement Area incidental to Grantee's exercise of its rights and privileges granted herein; and
   e) Any easement, license, or other right granted by Grantor, or its successor or assign, to a third party to exercise any of these reserved Grantor rights shall be subject to the requirements of this paragraph and shall include language acknowledging the rights and privileges of Grantee set forth in this Agreement and agreeing to comply with the requirements herein.

7. Upon completion of the original Facilities, Grantee shall promptly remove all surplus materials and will cause the area to be left as nearly as commercially reasonable and practicable in the condition as it existed prior to such construction, repair, alteration, maintenance, replacement or removal, reasonable wear and tear excepted.

8. GRANTEE ACCEPTS THIS AGREEMENT, THE EASEMENT, AND THE EASEMENT AREA AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS, LATENT OR OTHERWISE. GRANTOR MAKES NO IMPLIED OR EXPRESS REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER REGARDING THIS AGREEMENT, THE EASEMENT, OR THE EASEMENT AREA. ALL SUCH REPRESENTATIONS AND WARRANTIES, AS WELL AS ANY IMPLIED WARRANTIES, ARE HEREBY EXPRESSLY DISCLAIMED. GRANTEE FULLY RELEASES GRANTOR AND GRANTOR'S PARENT AND ALL SUBSIDIARIES, PARTNERS, MEMBERS, REPRESENTATIVES, AGENTS, EMPLOYEES, AND CONSULTANTS (EACH, A "**GRANTOR PARTY**"), FROM LIABILITY FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES WITH RESPECT TO THE EASEMENT AREA, THE EASEMENT, OR THIS AGREEMENT EXCEPT FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES RESULTING FROM THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE GRANTOR PARTY. THIS PROVISION WILL SURVIVE THE TERMINATION OR RELEASE OF THIS AGREEMENT.

9. This Agreement contains the entire agreement between the parties relating to its subject matter. Any oral representations or modifications concerning this Agreement shall be of no force and effect. Any subsequent amendment or modification must be in writing and agreed to by all parties.

10. The terms of this Agreement shall be binding upon Grantor, and Grantor's heirs, personal representatives, successors, and assigns; shall bind and inure to the benefit of the Grantee and any successors or assigns of Grantee; and shall be deemed to be a covenant running with the land.

[Signature and Notary Pages Follow.]

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on the dates set forth herein.

**GRANTOR:**

**SU 560 LAND HOLDINGS I LLC,**
a Texas limited liability company

By:_____
Laura S. Trombley, President

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared Laura S. Trombley, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for purposes and considerations therein expressed and in his/her capacity as President of SU 560 Land Holdings I LLC, a Texas limited liability company, on behalf of said limited liability company.

Given under my hand and seal of office this the _____ day of _____ 2026.

_____
Notary Public in and for the State of Texas

My Commission Expires:_____

**GRANTEE**:

City of Georgetown,
a Texas home-rule municipal corporation

By: _____
David Morgan, City Manager

**STATE OF TEXAS** §
§
**COUNTY OF WILLIAMSON** §

This instrument was acknowledged before me on this the ___ day of _____, 2026, by David Morgan, City Manager of the City of Georgetown, a Texas home-rule municipal corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

APPROVED AS TO FORM:

_____
Andrew Culpepper, Assistant City Attorney

AFTER RECORDING, RETURN TO GRANTEE:
City of Georgetown
Attn: Real Estate Services
P.O. Box 409
Georgetown, Texas 78627

**EXHIBIT A**
**EASEMENT AREA LEGAL DESCRIPTION**

[See Attached]

**DESCRIPTION OF EASEMENT**

DESCRIPTION OF A 4.657 ACRES (202,877 SQUARE FEET) TRACT OF LAND, LOCATED IN THE WILLIAM ADDISON SURVEY, ABSTRACT 21, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN CALLED 117.48 ACRE TRACT OF LAND DESCRIBED IN A GENERAL WARRANTY DEED TO SOUTHWESTERN UNIVERSITY, A NON-PROFIT CORPORATION, OF RECORD IN DOCUMENT NO. 2001018260, OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, (OPR); BEING A PORTION OF THAT CERTAIN CALLED 105 ACRE TRACT OF LAND DESCRIBED IN A DEED TO SOUTHWESTERN UNIVERSITY OF RECORD IN VOL. 333, PAGE 145 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, (DR); BEING A PORTION OF THAT CERTAIN CALLED 8.65 ACRE TRACT OF LAND DESCRIBED IN A GENERAL WARRANTY DEED TO SOUTHWESTERN UNIVERSITY, A NON-PROFIT CORPORATION, OF RECORD IN DOCUMENT NO. 2000068100, OPR; BEING A PORTION OF THAT CERTAIN CALLED 15.223 ACRE TRACT OF LAND DESCRIBED IN AN AGREED ORDER AUTHORIZING SALE OF REAL PROPERTY, TO SOUTHWESTERN UNIVERSITY, OF RECORD IN DOCUMENT NO. 2001007166, OPR; AND BEING A PORTION OF THAT CERTAIN CALLED 200.00 ACRE TRACT OF LAND DESCRIBED IN A DEED TO SOUTHWESTERN UNIVERSITY OF RECORD IN VOL. 318, PAGE 214, DR; SAID 4.657 ACRES (202,877 SQUARE FEET) TRACT OF LAND BEING SURVEYED ON THE GROUND IN MAY, 2026, UNDER THE DIRECT SUPERVISION OF COREY J. HALL, RPLS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING**, at a 1/2-inch iron rod with plastic cap stamped "STEGER BIZZELL" found for a point on the westerly boundary line of that certain called 110.09 acre tract of land described in a Deed Of Correction and Ratification Of Ownership to the family of Harvey C. Bell, Jr (1/2 undivided interest), Patsy Laird Read, as trustee of Testamentary Trusts Harrell Eugene "Ted" Read (1/3 undivided interest of 1/2 undivided community interest), Patsy Laird Read, as trustee of the Mary Jo Laird Read Management Trust (1/3 undivided interest of 1/2 undivided community interest), and Patsy Laird Read, as trustee of the Mary Jo Laird Read Management Trust (1/3 undivided interest of 1/2 undivided community interest), of record in Document No. 2016058731, OPR, same being the easterly boundary line of said 117.48 acre tract;

THENCE, South 21°27'52" East, with the westerly boundary line of said 110.09 acre tract, and the easterly boundary line of said 117.48 acre tract, for a distance of 229.31 feet to a calculated point for the northeast corner and **POINT OF BEGINNING** of the herein described tract;

1) **THENCE, South 21°27'52" East,** with the common boundary line of said 110.09 acre tract and said 117.48 acre tract, for a distance of **41.89 feet** to a calculated point for the southeast corner of the herein described tract;

**THENCE,** over and across the interior of said 117.48 acre tract, the following three (3) courses:

2) **South 51°14'31" West,** for a distance of **84.17 feet** to a calculated point;

3) **South 57°42'48" West,** for a distance of **1223.17 feet,** to a calculated point, from which point, a 1/2-inch iron rod with plastic cap stamped "RPLS 2218" found for the northeast corner of Lot 1, Estraya Georgetown, a subdivision recorded in Document No. 2018008492, OPR, bears South 73°15'53" East, a distance of 117.72 feet;

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Round Rock, TX 78681
TBPELS Firm No. 10064300
512-238-1200 office

4) **South 56°02'45" West,** for a distance of **796.37 feet,** to a calculated point for an exterior ell corner of the herein described tract;

5) **THENCE, South 76°21'29" West,** passing the westerly boundary line of said 117.48 acre tract and the easterly boundary of the aforementioned 8.65 acre tract, passing the westerly boundary line of said 8.65 acre tract and the easterly boundary line of the aforementioned 15.223 acre tract, and continuing through the interior of said 15.223 acre tract, for a distance of **621.77 feet,** to a calculated point for an interior ell corner of the herein described tract;

6) **THENCE, South 65°58'48" West,** passing the westerly boundary line of said 15.223 acre tract, and ;an easterly boundary line of the aforementioned 105 acre tract, for a distance of **774.23 feet** to a calculated point for an exterior ell corner of the herein described tract;

7) **THENCE, South 89°08'02" West,** passing the westerly boundary line of said 105 acre tract, and an easterly boundary line of the aforementioned 200.00 acre tract, for a distance of **839.69 feet** to a calculated point for an interior ell corner of the herein described tract;

**THENCE,** over and across the interior of said 200.00 acre tract, the following five (5) courses:

8) **South 57°18'07" West,** for a distance of **550.34 feet** to a calculated point for an exterior ell corner of the herein described tract;

9) **South 85°29'47" West,** for a distance of **192.91 feet** to a calculated point on an easterly line of that certain called 35 foot wide Wastwater Easement of record in Document No. 2009007145, OPR, for the southwest corner of the herein described tract;

10) **North 09°13'09" East,** with an easterly line of said 35' foot wide Wastewater Easement, for a distance of **41.18 feet** to a calculated point for the northwest corner of the herein described tract;

11) **North 85°29'47" East,** for a distance of **173.10 feet** to a calculated point for an interior ell corner of the herein described tract;

12) **North 57°18'07" East,** for a distance of **551.70 feet** to a calculated point for an exterior ell corner of the herein described tract;

13) **THENCE, North 89°08'02" East,** passing the common boundary line of said 200.00 acre tract and said 105 acre tract, for a distance of **842.90 feet** to a calculated point for an interior ell corner of the herein described tract;

14) **THENCE, North 65°58'48" East,** through the interior of said 105 acre tract, passing the common boundary line of said 105 acre tract and said 15.223 acre tract, and continuing through the interior of said 15.223 acre tract, for a distance of **769.67 feet** to a calculated point for an exterior ell corner of the herein described tract;

15) **THENCE, North 76°21'29" East,** passing the common boundary line of said 15.223 acre tract and aforementioned 8.65 acre tract, passing the common boundary line of said 8.65 acre tract and aforementioned 117.48 acre tract, and continuing through the interior of said 117.48 acre tract, for a distance of **618.23 feet** to a calculated point for an interior ell corner of the herein described tract;

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**THENCE,** over and across the interior of said 117.48 tract, the following three (3) courses:

16) **North 56°02'45" East,** for a distance of **789.78** feet to a calculated point;

17) **North 57°42'48" East,** for a distance of **1221.49** feet to a calculated point;

18) **North 51°14'31" East,** for a distance of **94.36** feet to the **POINT OF BEGINNING** and containing 4.657 acres (202,877 square feet) more or less, within these metes and bounds.

Together with a 25 foot wide (2.921 acres, 127,233 square feet) Temporary Construction Easement being adjacent to, parallel with, and southerly to courses 2 through 9, and a 25 foot wide (2.902 acre, 126,415 quare feet) Temporary Construction Easement being adjacent to, parallel with, and northerly to courses 11 through 18, as shown on the attached survey map of the subject tract.

Bearings are based on the Texas Coordinate System of 1983, Central Zone, NAD 83 (2011). All distances are surface values represented in US Survey Feet based on a Grid-to-Surface Combined Adjustment Factor of 1.00013.

The subject tract shown hereon is an easement, monuments were not set for corners.

The foregoing metes and bounds description, and survey on which it was based, is accompanied by and a part of a survey map of the subject tract.

The use of the word "certify" or "certification" on this document only constitutes an expression of professional opinion regarding those facts or findings which are the subject of the certification, and does not constitute a warranty or guarantee, either expressed or implied.

THE STATE OF TEXAS §
§ KNOWN ALL MEN BY THESE PRESENT
COUNTY OF WILLIAMSON §

That I, Corey J. Hall, a Registered Professional Land Surveyor, do hereby certify that the above description and the accompanying sketch is true and correct to the best of my knowledge and belief and the property described herein was determined by a survey made on the ground during the month of May, 2026, under my direct supervision.

WITNESS MY HAND AND SEAL at Round Rock, Williamson County, Texas on this 19th of May, 2026, A.D.

SAM, LLC – Round Rock

STATE OF TEXAS REGISTERED COREY JOSEPH HALL 6362 PROFESSIONAL LAND SURVEYOR

Corey J. Hall, R.P.L.S.
Texas Reg. No. 6362

\\saminc\AUS\PROJECTS\1025106228\100\Survey\07Descriptions\1025106228-ESMT2-DESC.docx

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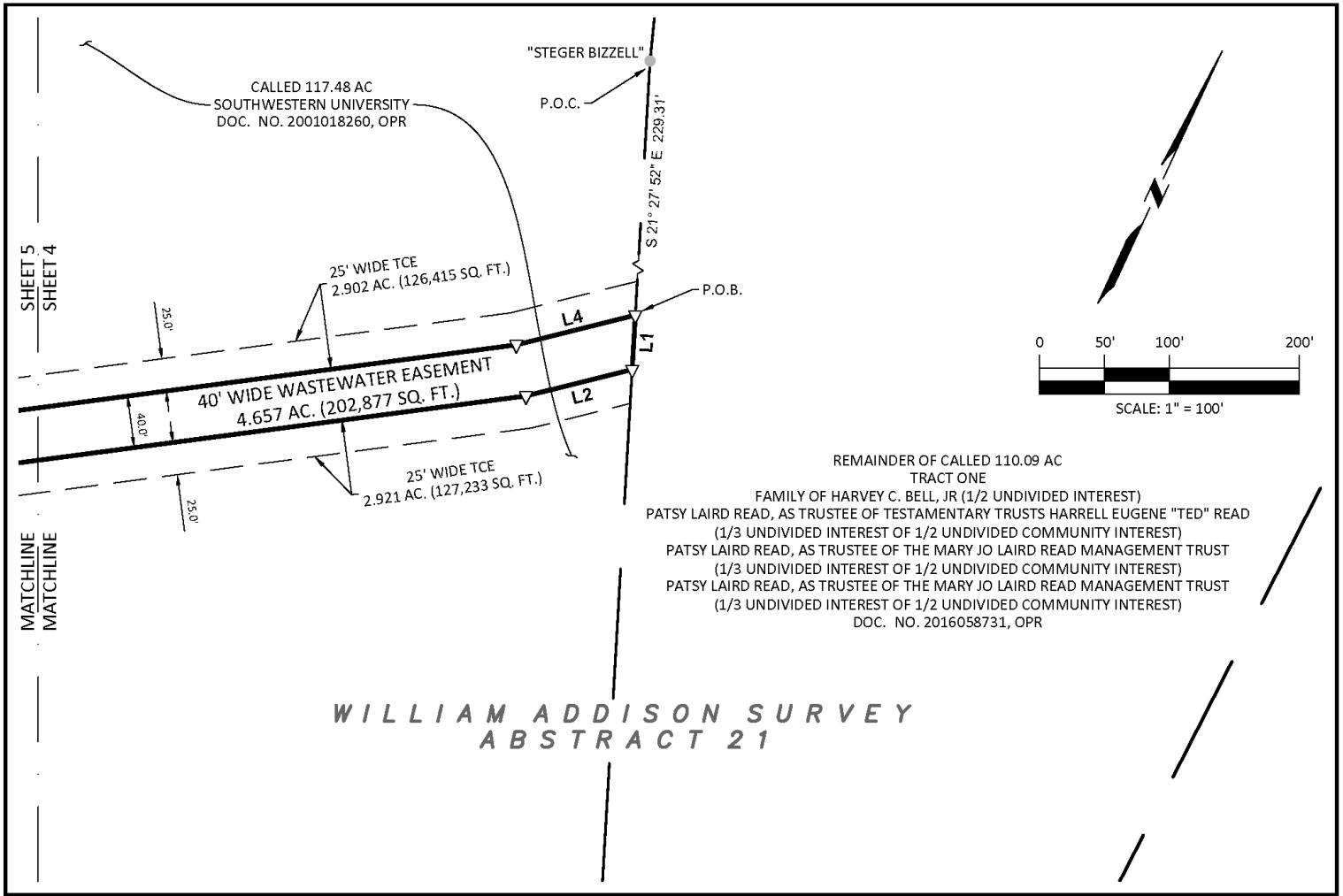
Round Rock, TX 78681
TBPELS Firm No. 10064300
512-238-1200 office

**EXHIBIT B**
**EASEMENT AREA DEPICTION**

[See Attached]




| | |
|---|---|
| JOB NUMBER: 1025106228 | |
| DATE: 05/19/2026 | |
| SCALE: 1" = 100' | |
| SURVEYOR: COREY J. HALL, RPLS | |
| TECHNICIAN: JOHN ALLEN | |
| DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG | |
| TRACT ID: SOUTHWESTERN UNIVERSITY | |
| PARTYCHIEF: BOB BROWN | |
| FIELDBOOKS: 622 | |

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Austin, Texas 78735
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Fax: 512.326.3029
email: info@sam.biz

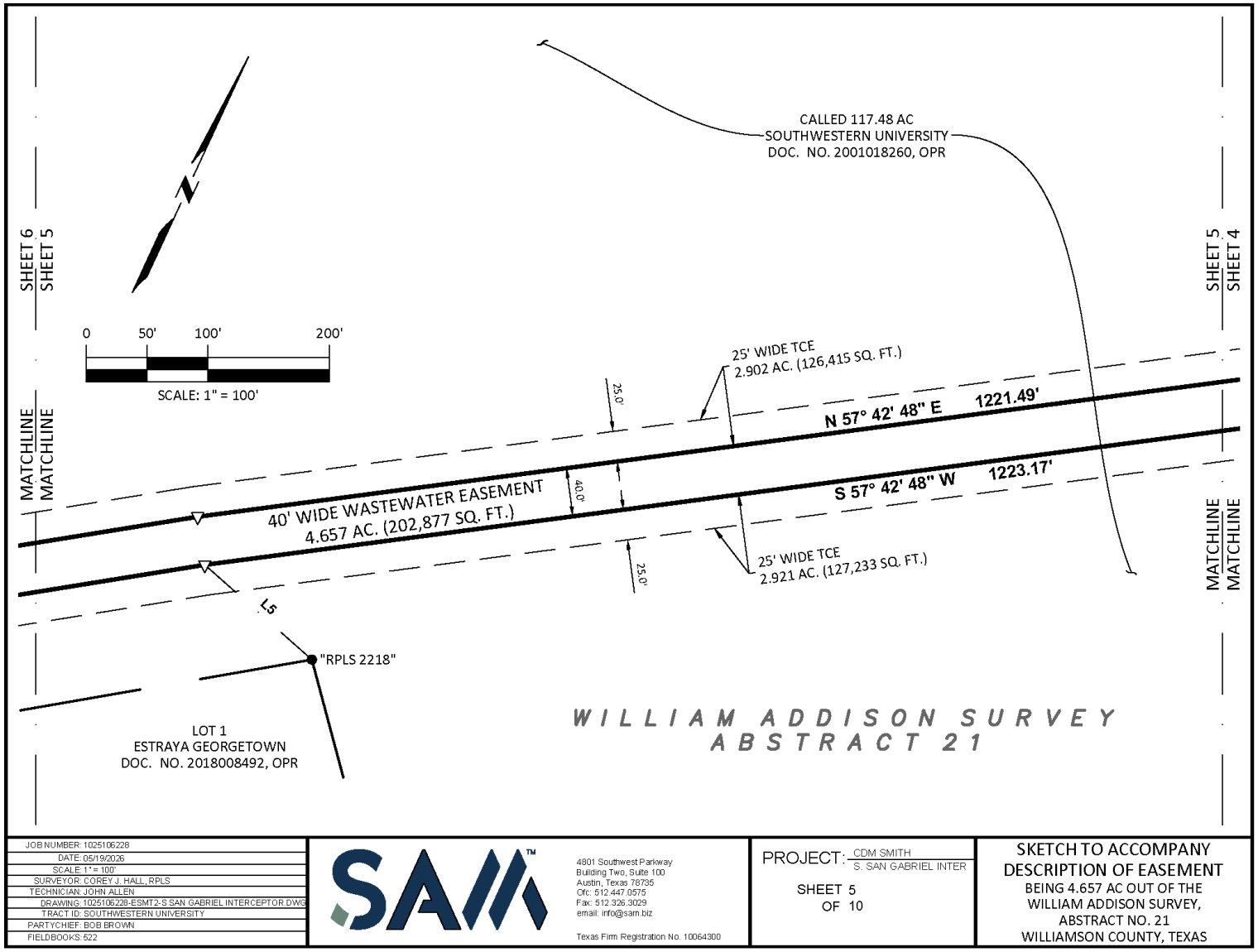
Texas Firm Registration No. 10064300

PROJECT: CDM SMITH / S. SAN GABRIEL INTER

SHEET 4
OF 10

SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH: \\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11 DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG




JOB NUMBER: 1025106228
DATE: 05/19/2026
SCALE: 1" = 100'
SURVEYOR: COREY J. HALL, RPLS
TECHNICIAN: JOHN ALLEN
DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG
TRACT ID: SOUTHWESTERN UNIVERSITY
PARTYCHIEF: BOB BROWN
FIELDBOOKS: 522

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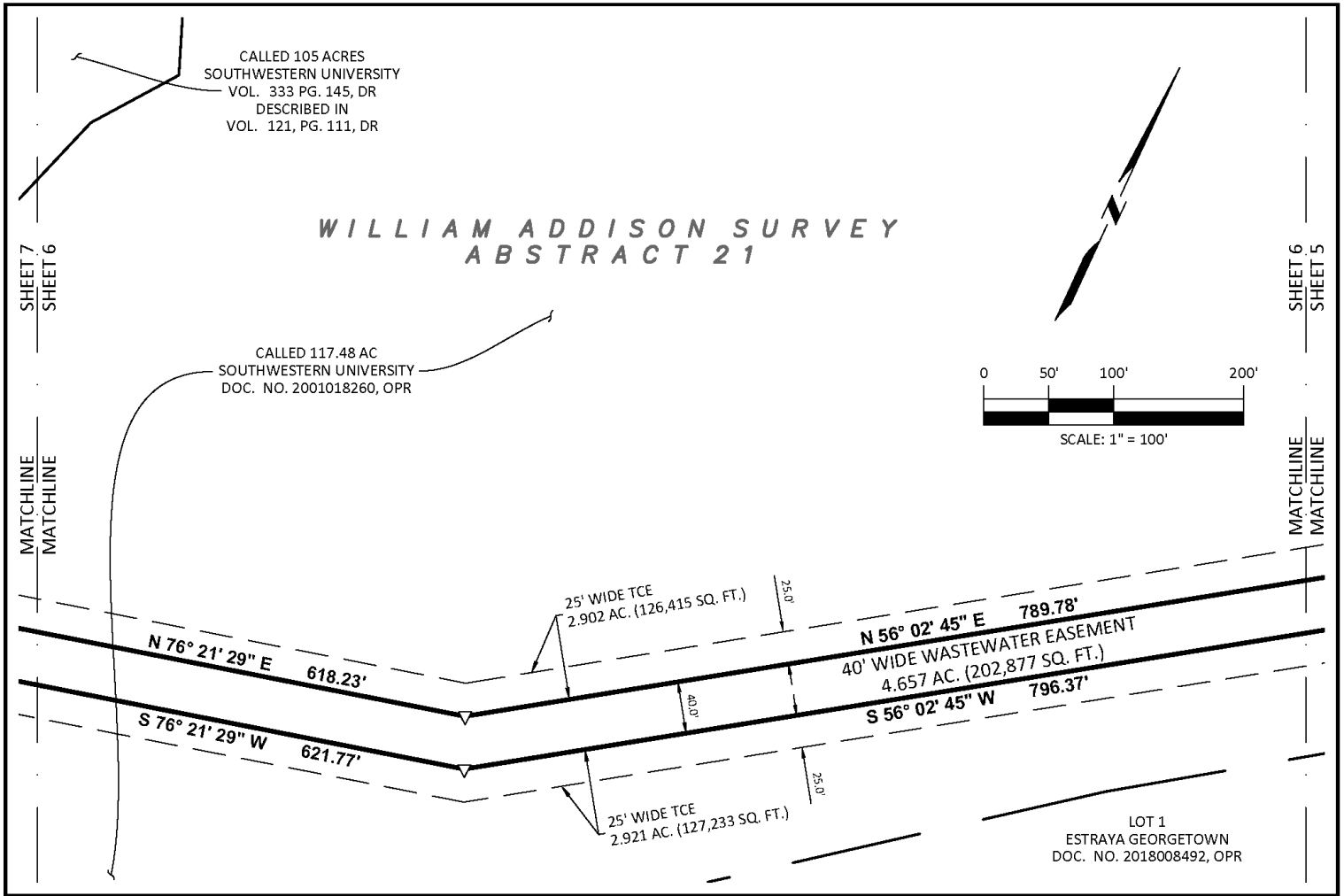
PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 5
OF 10

SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11 DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG




JOB NUMBER: 1025106228
DATE: 05/19/2026
SCALE: 1" = 100'
SURVEYOR: COREY J. HALL, RPLS
TECHNICIAN: JOHN ALLEN
DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG
TRACT ID: SOUTHWESTERN UNIVERSITY
PARTYCHIEF: BOB BROWN
FIELDBOOKS: 522

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email: info@sam.biz

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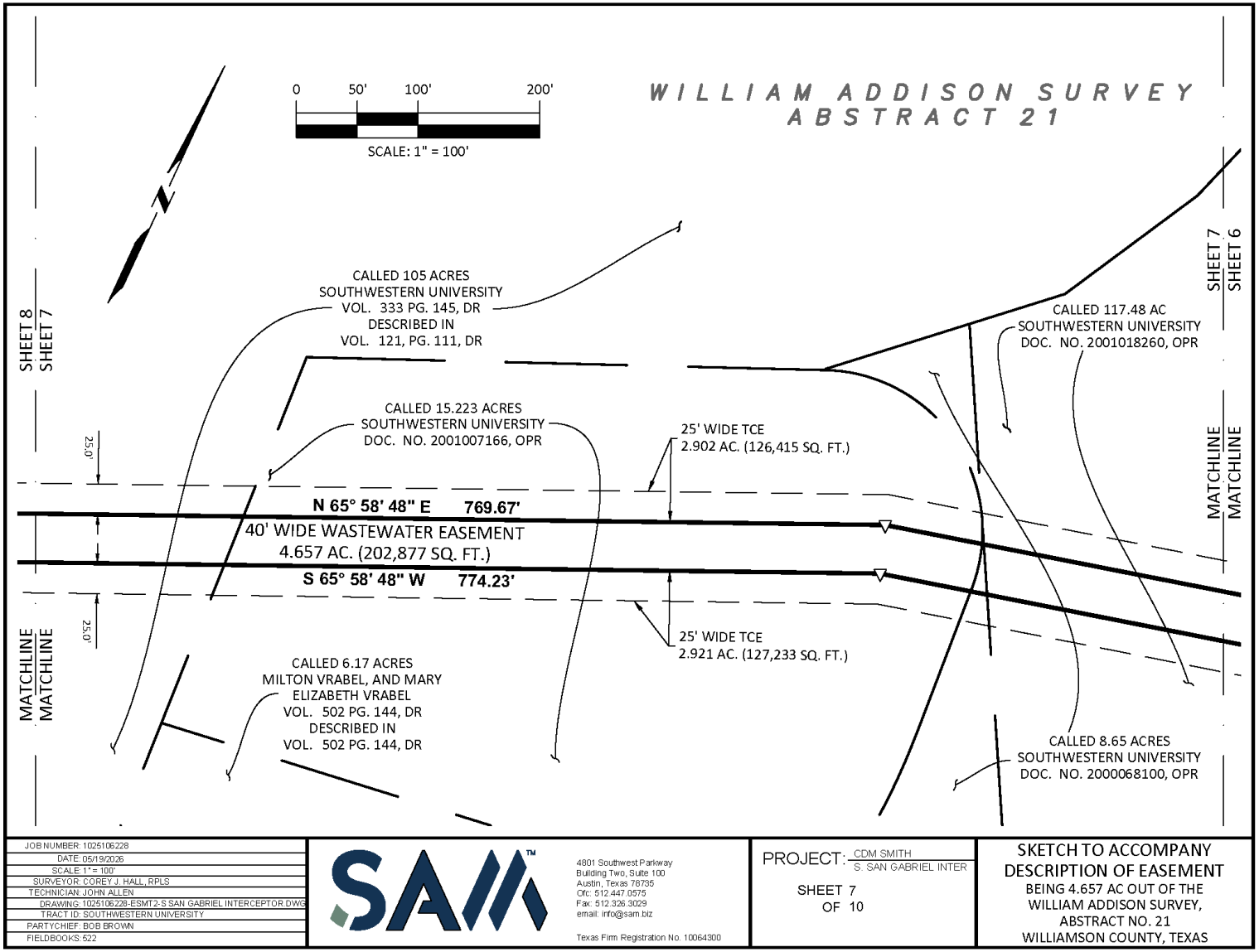
PROJECT: CDM SMITH / S. SAN GABRIEL INTER

SHEET 6 OF 10

SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11 DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG


0 50' 100' 200'
SCALE: 1" = 100'
WILLIAM ADDISON SURVEY
ABSTRACT 21
SHEET 8
SHEET 7
SHEET 7
SHEET 6
CALLED 105 ACRES
SOUTHWESTERN UNIVERSITY
VOL. 333 PG. 145, DR
DESCRIBED IN
VOL. 121, PG. 111, DR
CALLED 117.48 AC
SOUTHWESTERN UNIVERSITY
DOC. NO. 2001018260, OPR
CALLED 15.223 ACRES
SOUTHWESTERN UNIVERSITY
DOC. NO. 2001007166, OPR
25' WIDE TCE
2.902 AC. (126,415 SQ. FT.)
25.0'
N 65° 58' 48" E 769.67'
40' WIDE WASTEWATER EASEMENT
4.657 AC. (202,877 SQ. FT.)
S 65° 58' 48" W 774.23'
MATCHLINE
MATCHLINE
MATCHLINE
MATCHLINE
25.0'
25' WIDE TCE
2.921 AC. (127,233 SQ. FT.)
CALLED 6.17 ACRES
MILTON VRABEL, AND MARY
ELIZABETH VRABEL
VOL. 502 PG. 144, DR
DESCRIBED IN
VOL. 502 PG. 144, DR
CALLED 8.65 ACRES
SOUTHWESTERN UNIVERSITY
DOC. NO. 2000068100, OPR
JOB NUMBER: 1025106228
DATE: 05/19/2026
SCALE: 1" = 100'
SURVEYOR: COREY J. HALL, RPLS
TECHNICIAN: JOHN ALLEN
DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG
TRACT ID: SOUTHWESTERN UNIVERSITY
PARTYCHIEF: BOB BROWN
FIELDBOOKS: 522
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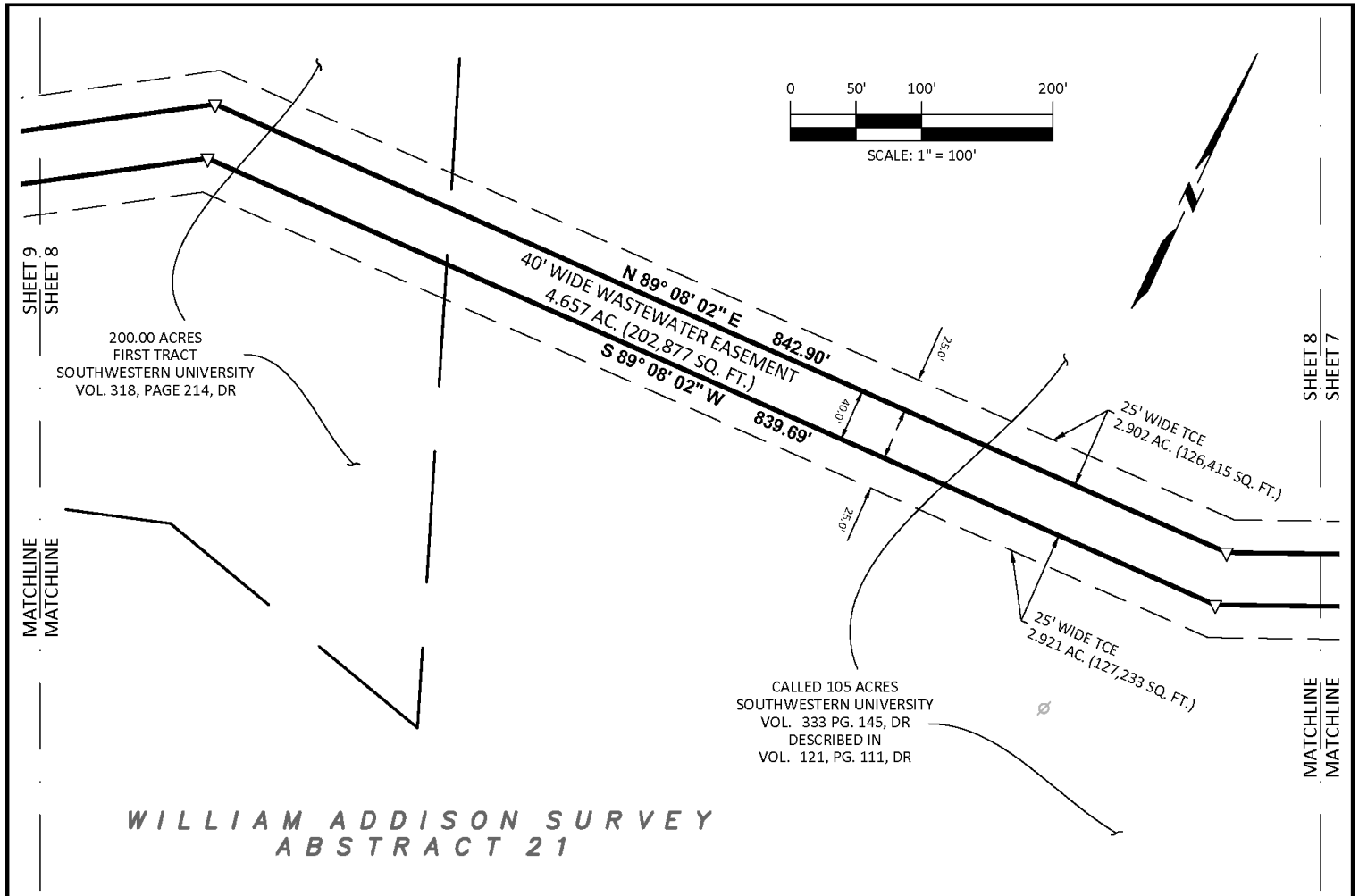
Texas Firm Registration No. 10064300
PROJECT: CDM SMITH
S. SAN GABRIEL INTER
SHEET 7
OF 10
SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS
PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11 DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG

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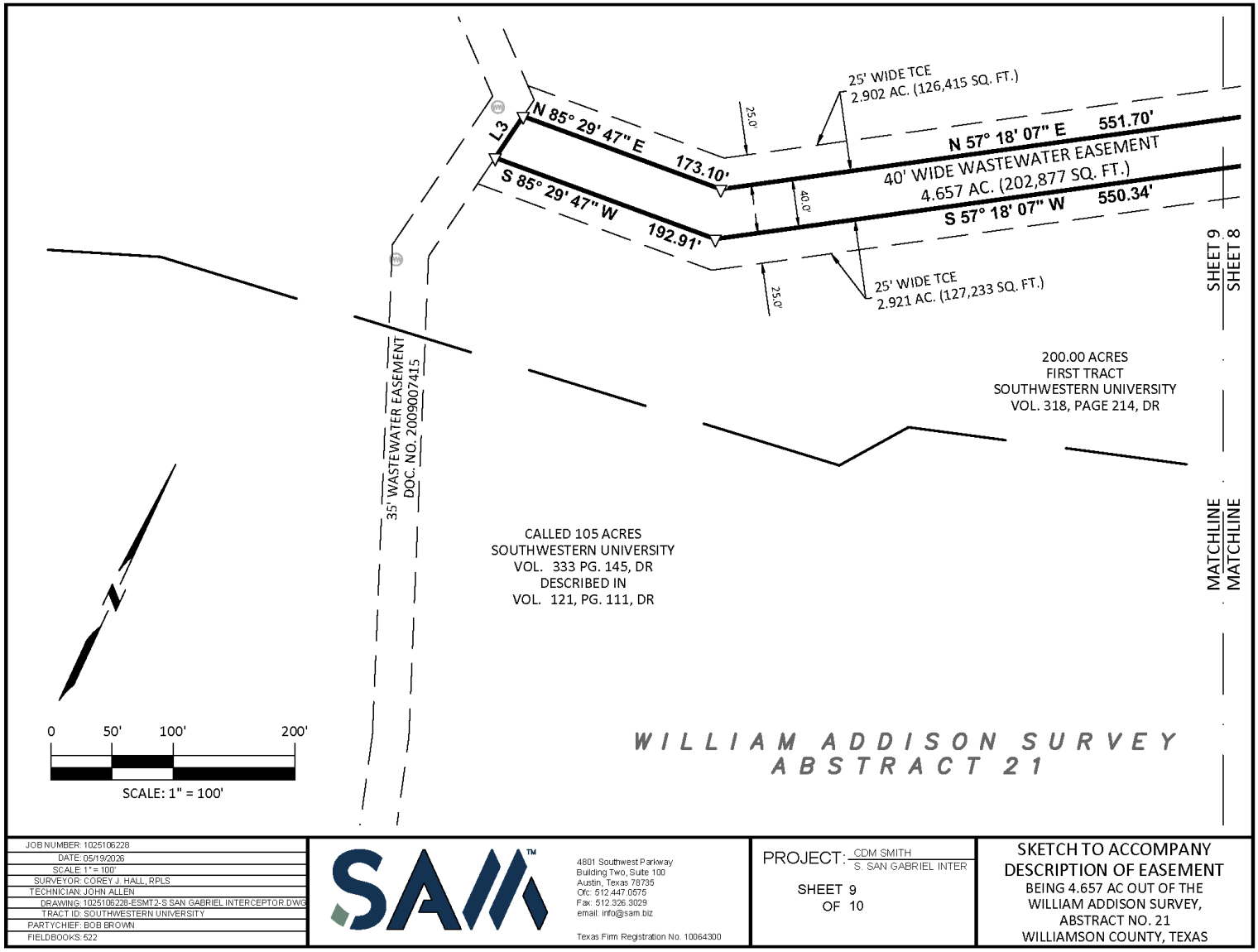
|---|---|---|---|
| JOB NUMBER: 1025106228<br>DATE: 05/19/2026<br>SCALE: 1" = 100'<br>SURVEYOR: COREY J. HALL, RPLS<br>TECHNICIAN: JOHN ALLEN<br>DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG<br>TRACT ID: SOUTHWESTERN UNIVERSITY<br>PARTYCHIEF: BOB BROWN<br>FIELDBOOKS: 522 | SAM™<br>4801 Southwest Parkway<br>Building Two, Suite 100<br>Austin, Texas 78735<br>Ofc: 512.447.0575<br>Fax: 512.326.3029<br>email: info@sam.biz<br>Texas Firm Registration No. 10064300 | PROJECT: CDM SMITH / S. SAN GABRIEL INTER<br>SHEET 8<br>OF 10 | SKETCH TO ACCOMPANY<br>DESCRIPTION OF EASEMENT<br>BEING 4.657 AC OUT OF THE<br>WILLIAM ADDISON SURVEY,<br>ABSTRACT NO. 21<br>WILLIAMSON COUNTY, TEXAS |

PATH:\\SAMINCVAUS\PROJECTS\1025106228\100\SURVEY\11DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG

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|---|---|---|---|
| JOB NUMBER: 1025106228<br>DATE: 05/19/2026<br>SCALE: 1" = 100'<br>SURVEYOR: COREY J. HALL, RPLS<br>TECHNICIAN: JOHN ALLEN<br>DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG<br>TRACT ID: SOUTHWESTERN UNIVERSITY<br>PARTYCHIEF: BOB BROWN<br>FIELDBOOKS: 522 | SAM™<br>4801 Southwest Parkway<br>Building Two, Suite 100<br>Austin, Texas 78735<br>Ofc: 512.447.0575<br>Fax: 512.326.3029<br>email: info@sam.biz<br>Texas Firm Registration No. 10064300 | PROJECT: CDM SMITH / S. SAN GABRIEL INTER<br>SHEET 9<br>OF 10 | SKETCH TO ACCOMPANY<br>DESCRIPTION OF EASEMENT<br>BEING 4.657 AC OUT OF THE<br>WILLIAM ADDISON SURVEY,<br>ABSTRACT NO. 21<br>WILLIAMSON COUNTY, TEXAS |

PATH: \\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11 DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG

NOTES:

1. BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE NAD83 (2011). ALL DISTANCES SHOWN HEREON ARE SURFACE VALUES REPRESENTED IN U.S. SURVEY FEET BASED ON A GRID-TO-SURFACE COMBINED ADJUSTMENT FACTOR OF 1.00013.
2. THE SUBJECT TRACT SHOWN HEREON IS AN EASEMENT, MONUMENTS WERE NOT SET FOR CORNERS.
3. REFERENCE IS HEREON MADE TO THE METES AND BOUNDS DESCRIPTION OF THIS TRACT ACCOMPANYING THIS SKETCH.
4. THE USE OF THE WORD CERTIFY OR CERTIFICATION ON THIS DOCUMENT ONLY CONSTITUTES AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THOSE FACTS OR FINDINGS WHICH ARE THE SUBJECT OF THE CERTIFICATION, AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE, EITHER EXPRESSED OR IMPLIED.
5. THIS SURVEY WAS MADE WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE NOR A TITLE COMMITMENT OR TITLE POLICY. THERE MAY BE ADDITIONAL EASEMENTS OR RESTRICTIONS, NOT SHOWN HEREON, WHICH MAY AFFECT THE PROPERTY.

LEGEND

| | |
|---|---|
| ● | IRON ROD FOUND (1/2" OR AS NOTED) |
| ▽ | CALCULATED POINT |
| Ø | UTILITY POLE |
| WW | WASTEWATER (SANITARY SEWER) MANHOLE |
| TCE | TEMPORARY CONSTRUCTION EASEMENT |

**Line Table**

| Line # | Direction | Length |
|---|---|---|
| L1 | S 21°27'52" E | 41.89' |
| L2 | S 51°14'31" W | 84.17' |
| L3 | N 09°13'09" E | 41.18' |
| L4 | N 51°14'31" E | 94.36' |
| L5 | S 73°15'53" E | 117.72' |

THIS IS TO CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND IN MAY, 2026, BY ME OR UNDER MY SUPERVISION, THAT THIS SURVEY PLAT REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY.

SAM LLC

COREY J. HALL, R.P.L.S.
TEXAS REG. NO. 6362

STATE OF TEXAS
REGISTERED
COREY JOSEPH HALL
6362
PROFESSIONAL
LAND SURVEYOR

JOB NUMBER: 1025106228
DATE: 05/19/2026
SCALE: 1" = 100'
SURVEYOR: COREY J. HALL, RPLS
TECHNICIAN: JOHN ALLEN
DRAWING: 1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG
TRACT ID: SOUTHWESTERN UNIVERSITY
PARTYCHIEF: BOB BROWN
FIELDBOOKS: 522

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email: info@sam.biz

Texas Firm Registration No. 10064300

PROJECT: CDM SMITH
S. SAN GABRIEL INTER

SHEET 10
OF 10

SKETCH TO ACCOMPANY
DESCRIPTION OF EASEMENT
BEING 4.657 AC OUT OF THE
WILLIAM ADDISON SURVEY,
ABSTRACT NO. 21
WILLIAMSON COUNTY, TEXAS

PATH:\\SAMINC\AUS\PROJECTS\1025106228\100\SURVEY\11 DESIGN\1025106228-ESMT2-S SAN GABRIEL INTERCEPTOR.DWG

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Municipal Service Agreement - 2026-5-ANX - 8600 RM 2338**

SUGGESTED ACTION:
Consideration and possible action to approve a Municipal Service Agreement with 8600 Williams, LLC, for the provision of municipal services upon annexation to approximately 11.59 acres of land out of the Lewis P. Dyches Survey, Abstract No. 171, generally located at 8600 RM 2338, Georgetown, Texas (2026-5-ANX) -- Colin Davidson, Senior Planner

ITEM SUMMARY:
Consideration of a municipal services agreement between the City and property owner to serve the property with municipal services upon annexation.

FINANCIAL IMPACT:
None. The applicant has paid the required application fees.

SUBMITTED BY:
Hunter Gould, Planning Department

ATTACHMENTS:
2026-5-ANX - Nations Tract MSA Presentation.pdf
2026-5-ANX - Nations Tract MSA_Executed.pdf

# Nations Tract Annexation 2026-5-ANX

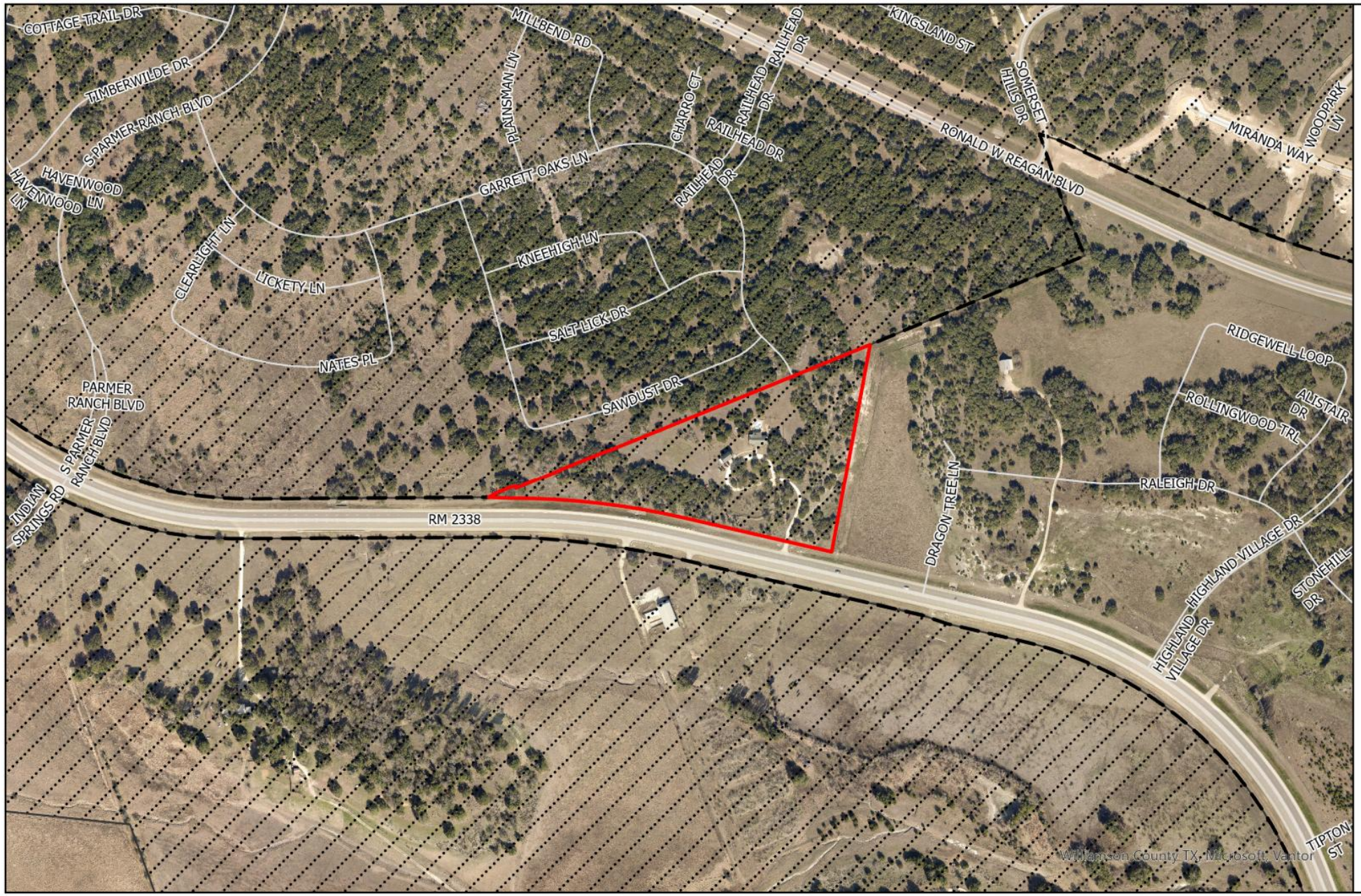
June 9th, 2026 | City Council

GEORGETOWN TEXAS

# Item Under Consideration

## 2026-5-ANX

- Consideration and possible action to approve a Municipal Service Agreement with 8600 Williams, LLC, for the provision of municipal services upon annexation to approximately 11.59 acres of land out of the Lewis P. Dyches Survey, Abstract No. 171, generally located at 8600 RM 2338, Georgetown, Texas (2026-5-ANX) -- Colin Davidson, Senior Planner




GEORGETOWN
TEXAS
*more than welcome*

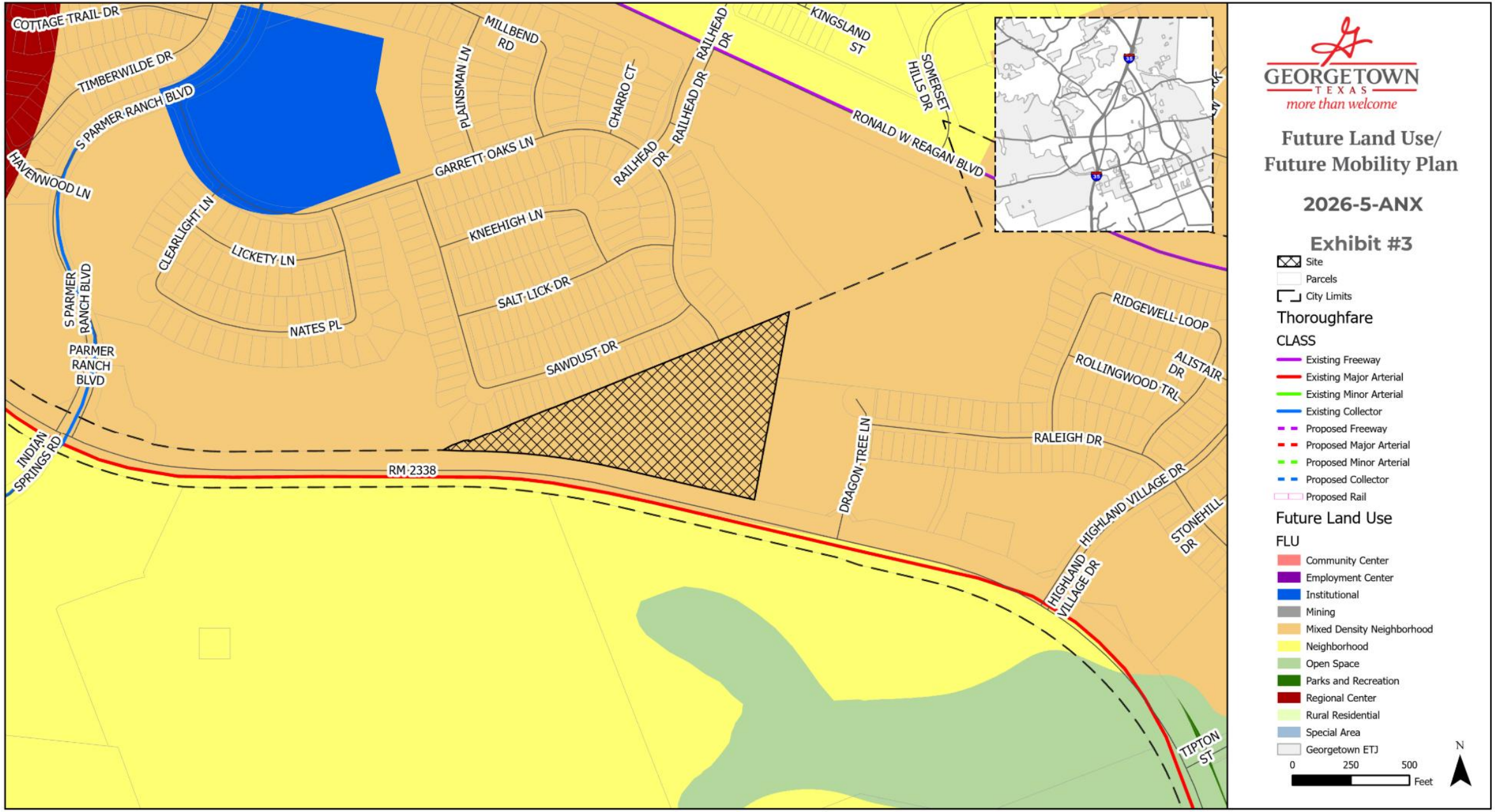
# Aerial

## 2026-5-ANX

Site
City Limits
Georgetown ETJ

N

0 250 500 Feet


COTTAGE TRAIL DR
TIMBERWILDE DR
S PARMER RANCH BLVD
HAVENWOOD LN
MILLBEND RD
PLAINSMAN LN
CHARRO CT
RAILHEAD DR
KINGSLAND ST
SOMERSET HILLS DR
RONALD W REAGAN BLVD
GARRETT OAKS LN
CLEARLIGHT LN
LICKETY LN
KNEEHIGH LN
SALT LICK DR
NATES PL
SAWDUST DR
S PARMER RANCH BLVD
PARMER RANCH BLVD
INDIAN SPRINGS RD
RM 2338
DRAGON TREE LN
RIDGEWELL LOOP
ROLLINGWOOD TRL
ALISTAIR DR
RALEIGH DR
HIGHLAND VILLAGE DR
STONEHILL DR
TIPTON ST
GEORGETOWN
TEXAS
more than welcome
Future Land Use/
Future Mobility Plan
2026-5-ANX
Exhibit #3
Site
Parcels
City Limits
Thoroughfare
CLASS
Existing Freeway
Existing Major Arterial
Existing Minor Arterial
Existing Collector
Proposed Freeway
Proposed Major Arterial
Proposed Minor Arterial
Proposed Collector
Proposed Rail
Future Land Use
FLU
Community Center
Employment Center
Institutional
Mining
Mixed Density Neighborhood
Neighborhood
Open Space
Parks and Recreation
Regional Center
Rural Residential
Special Area
Georgetown ETJ
0
250
500
Feet
N

# Annexation Process

★ Municipal Services Agreement

Public Hearing & 1st Reading of an Ordinance

2nd Reading of an Ordinance

P&Z Public Hearing & Recommendation on Zoning

# Tentative Schedule

| Status | Date | Body | Purpose |
|---|---|---|---|
| ✓ | June 9th | City Council | Municipal Services Agreement |
| | June 16th | P&Z | Public Hearing & Consideration of Zoning |
| | July 14th | City Council | Public Hearing & 1st Reading |
| | July 28th | City Council | 2nd Reading |

# Summary

- Consideration and possible action to approve a Municipal Service Agreement with 8600 Williams, LLC, for the provision of municipal services upon annexation to approximately 11.59 acres of land out of the Lewis P. Dyches Survey, Abstract No. 171, generally located at 8600 RM 2338, Georgetown, Texas (2026-5-ANX) -- Colin Davidson, Senior Planner

# MUNICIPAL SERVICES AGREEMENT

## BETWEEN THE CITY OF GEORGETOWN, TEXAS

## AND 8600 WILLIAMS, LLC

This Municipal Services Agreement ("Agreement") is entered into on the 1st day of June, 2026 by and between the City of Georgetown, Texas, a home-rule municipality of the State of Texas ("City") and 8600 Williams, LLC ("Owner").

## RECITALS

The parties agree that the following recitals are true and correct and form the basis upon which the parties have entered into this Agreement

**WHEREAS**, Section 43.0671 of the Local Government Code permits the City to annex an area if each owner of land in an area requests the annexation;

**WHEREAS**, where the City elects to annex such an area, the City is required to enter into a written agreement with the property owner(s) that sets forth the City services to be provided for the Property on or after the effective date of annexation (the "Effective Date");

**WHEREAS**, Owner owns certain parcels of land located at 8600 RM 2338, Georgetown, Texas 78633, which consists of approximately 11.59 acres of land in the City's extraterritorial jurisdiction, such property being more particularly described and set forth in Exhibit "A" attached and incorporated herein by reference ("Property");

**WHEREAS,** Owner has filed a written request with the City for annexation of the Property, identified as Annexation Case No. 2026-5-ANX ("Annexation Case");

**WHEREAS**, City and Owner desire to set out the City services to be provided for the Property on or after the effective date of annexation;

**WHEREAS**, the Annexation Case and execution of this Agreement are subject to approval by the Georgetown City Council; and

**NOW THEREFORE**, in exchange for the mutual covenants, conditions and promises contained herein, City and Owner agree as follows:

1. **PROPERTY.** This Agreement is only applicable to the Property, which is the subject of the Annexation Case.

2. **INTENT.** It is the intent of the City that this Agreement provide for the delivery of full, available municipal services to the Property in accordance with state law, which may be accomplished through any means permitted by law.

## 3. MUNICIPAL SERVICES.

a. Commencing on the Effective Date, the City will provide the municipal services set forth below. As used in this Agreement, "providing services" includes having services provided by any method or means by which the City may extend municipal services to any other area of the City, including the City's infrastructure extension policies and developer or property owner participation in accordance with applicable city ordinances, rules, regulations, and policies.

i. Fire Protection and Emergency Medical Services – The City of Georgetown Fire Department will provide response services in the annexed area consisting of: fire suppression and rescue; emergency response to 9-1-1 calls; fire prevention education efforts, and other duties and services provided by the Georgetown Fire Department.

ii. Police – The City's Police Department will provide protection and law enforcement services.

iii. Planning and Development, Building Permits, and Inspections Services - Upon annexation, the City will provide site plan review; zoning approvals; Building Code and other standard Code inspection services; City Code enforcement; sign regulations and permits; and Stormwater Permit services in the annexed.

iv. Parks and Recreational Facilities. Residents of the Property will be permitted to utilize all existing publicly-owned parks and recreational facilities and all such facilities acquired or constructed after the Effective Date (including community service facilities, libraries, swimming pools, etc.), throughout the City. Any private parks, facilities, and buildings will be unaffected by the annexation; provided, however, that the City will provide for maintenance and operation of the same upon acceptance of legal title thereto by the City and appropriations therefor. In the event the City acquires any other parks, facilities, or buildings necessary for City services within the Property, the appropriate City department will provide maintenance and operations of the same.

v. Other Publicly Owned Buildings. Residents of the Property will be permitted to use all other publicly owned buildings and facilities where the public is granted access.

vi. Library – Upon annexation, library privileges will be available to anyone residing in the annexed area

vii. Stormwater Utility Services – The Property will be included in the City's Stormwater Utility service area and will be assessed a monthly fee based on the amount of impervious surface. The fees

will cover the direct and indirect costs of stormwater management services.

viii. Streets, Roads, and Street Lighting – The City will provide preventative maintenance of the existing public streets and roads in the annexed area over which it has jurisdiction through maintenance and preventative maintenance services such as emergency pavement repair; ice and snow monitoring; crack seal, sealcoat, slurry seal, and PM overlay; and other routine repair. The City shall not maintain private roads in the annexed area. Preventative maintenance projects are prioritized on a City-wide basis and scheduled based on a variety of factors, including surface condition, rideability, age, traffic volume, functional classification, and available funding. As new streets are dedicated and accepted for maintenance they will be included in the City's preventative maintenance program.

ix. Water and Wastewater Facilities in the Annexed Area that Are Not Within the Area of Another Water or Wastewater Utility –City-owned water and wastewater facilities that exist in the annexed area will be maintained in accordance with City ordinances, standards, policies and procedures.

x. Solid Waste Services – The City will provide solid waste collection services in accordance with existing City ordinances and policies, except where prohibited by law.

xi. Code Compliance – The City's Code Department will provide education, enforcement, and abatement relating to code violations within the Property.

xii. Animal Control Services – Upon annexation, the City shall provide animal control services in the annexed area.

xiii. Business Licenses and Regulations – Upon annexation, the City shall provide business licensing services (Carnivals Circuses and Other Exhibitions; Electrician's Licenses; Gross Receipts Charge or Street Rental; Peddlers and Solicitors; Taxicabs, Buses and Other Vehicles for Hire; Horse Drawn Carriages and other Non-Motorized Vehicles for Hire; Sexually Oriented Businesses; and Alcoholic Beverages) in the annexed area

b. The City will provide water service and wastewater treatment service to developments established after the Effective Date in accordance with, and on the schedule determined by, the City's extension policies, capital improvements schedule, and applicable law and at rates established by City ordinances for such services.

c. The City may impose a fee for any municipal service in the area annexed if

the same type of fee is imposed within the corporate boundaries of the City. All City fees are subject to revision from time to time by the City in its sole discretion.

d. It is understood and agreed that the City is not required to provide a service that is not included in this Agreement.

e. Owner understands and acknowledges that the City departments listed above may change names or be re-organized by the City Manager. Any reference to a specific department also includes any subsequent City department that will provide the same or similar services.

**4. SERVICE LEVEL.** The City will provide the Property with a level of services, infrastructure, and infrastructure maintenance that is comparable to the level of services, infrastructure, and infrastructure maintenance available in other parts of the City with topography, land use, and population density similar to those reasonably contemplated or projected for the Property.

**5. AUTHORITY.** City and Owner represent that they have full power, authority and legal right to execute, deliver and perform their obligations pursuant to this Agreement. Owner acknowledges that approval of the Annexation Case is within the sole jurisdiction of the City Council. Nothing in this Agreement guarantees favorable decisions by the City Council.

**6. SEVERABILITY.** If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability will not affect the validity of any other part, term or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of the Agreement.

**7. INTERPRETATION.** The parties to this Agreement covenant and agree that in any litigation relating to this Agreement, the terms and conditions of the Agreement will be interpreted according to the laws of the State of Texas. The parties acknowledge that they are of equal bargaining power and that each of them was represented by legal counsel in the negotiation and drafting of this Agreement.

**8. GOVERNING LAW AND VENUE.** Venue shall be in the state courts located in Williamson County, Texas or the United States District Court for the Western District of Texas, Austin Division and construed in conformity with the provisions of Texas Local Government Code Chapter 43.

**9. NO WAIVER.** The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

**10. GOVERNMENTAL POWERS.** It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers

or immunities.

11. **COUNTERPARTS**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

12. **CAPTIONS**. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

13. **AGREEMENT BINDS AND BENEFITS SUCCESSORS AND RUNS WITH THE LAND**. This Agreement is binding on and inures to the benefit of the parties, their successors, and assigns. The term of this Agreement constitutes covenants running with the land comprising the Property, is binding on the Owner and the City, and is enforceable by any current or future owner of any portion of the Property.

14. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements between said parties. This Agreement shall not be amended unless executed in writing by both parties.

Executed as of the day and year first above written to be effective on the effective date of annexation of the Property.

**CITY OF GEORGETOWN**

By: _____
Josh Schroeder
Mayor

Approved as to Form:

_____
Skye Masson
City Attorney

Attest:

_____
Robyn Densmore, TRMC
City Secretary

**State of Texas** §
**County of Williamson** §

This instrument was acknowledged before me on the _____ day of _____, 20___, by Josh Schroeder, Mayor of the City of Georgetown, a Texas municipal corporation, on behalf of said corporation.

By: _____

Notary Public, State of Texas

**8600 Williams, LLC**

By: _____
Signature

MIKE NATIONS
Print Name

Member, of 8600 Williams, LLC
Title

**State of Texas** §
**County of** Williamson §

This instrument was acknowledged before me on the 1st day of June, 2026, by Mike Nations, Member of 8600 Williams, LLC.

By: Heather S Davis, Notary public

Notary Public, State of Texas

HEATHER S. DAVIS
My Notary ID # 994516
Expires July 25, 2028

11.59 ACRES OF LAND SITUATED IN WILLIAMSON COUNTY, TEXAS, OUT OF THE LEWIS P. DYCHES SURVEY, ABSTRACT NO. 171, AND BEING A PORTION OF THAT TRACT OF LAND CALLED 13.82 ACRES, CONVEYED TO MIKE NATIONS, AND DESCRIBED IN A WARRANTY DEED, RECORDED UNDER DOCUMENT NO. 199972883 OF THE OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, AND FURTHER DESCRIBED BY ACCOMPANYING METES AND BOUNDS (SEE PAGE 1 OF 2 ATTACHED).

JOB NO: 240412
DRAWN: RJT
F.C.: LR



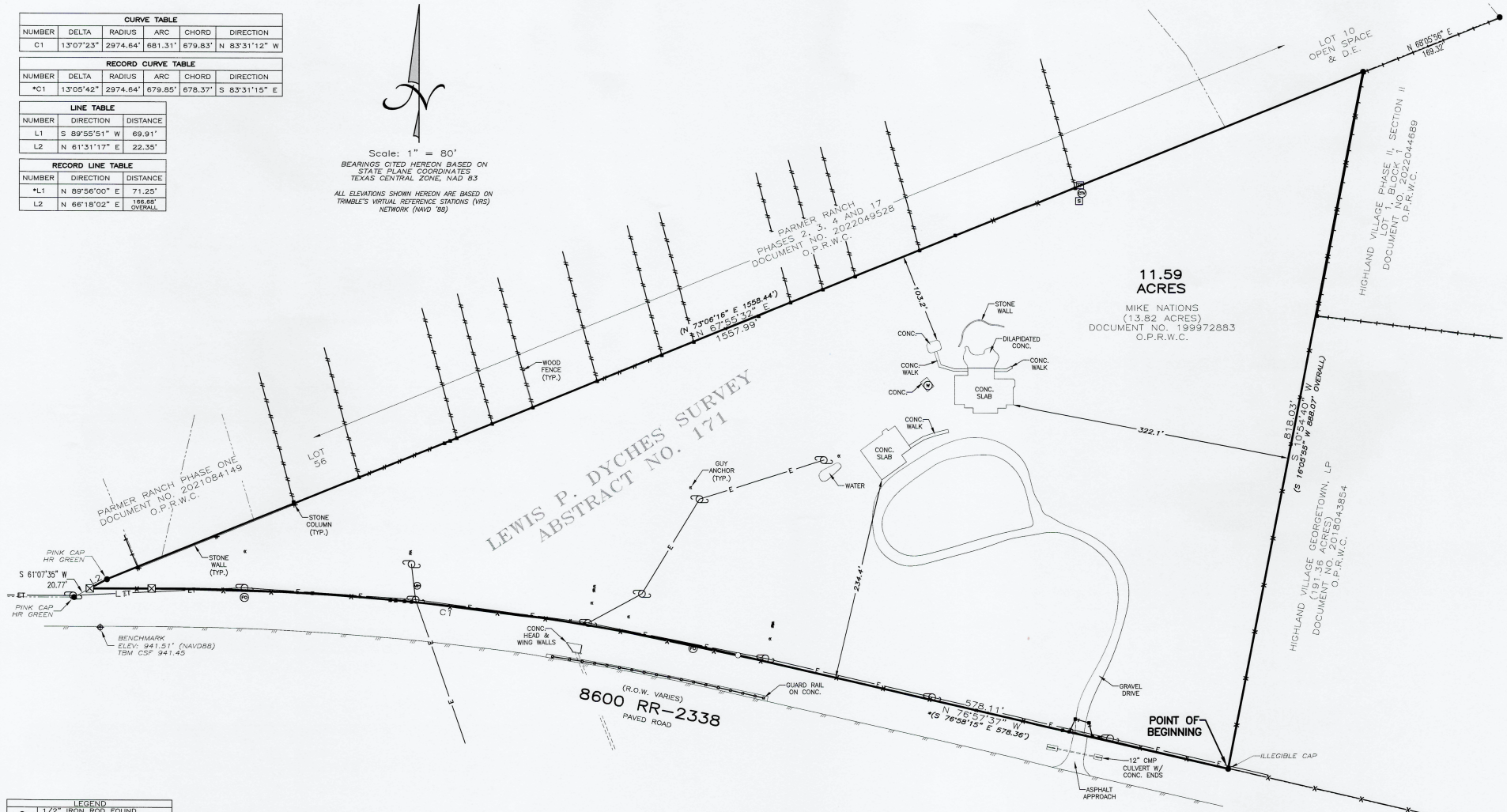
# BOUNDARY AND IMPROVEMENTS SURVEY

| CURVE TABLE | | | | | |
|---|---|---|---|---|---|
| NUMBER | DELTA | RADIUS | ARC | CHORD | DIRECTION |
| C1 | 13°07'23" | 2974.64' | 681.31' | 679.83' | N 83°31'12" W |

| RECORD CURVE TABLE | | | | | |
|---|---|---|---|---|---|
| NUMBER | DELTA | RADIUS | ARC | CHORD | DIRECTION |
| *C1 | 13°05'42" | 2974.64' | 679.85' | 678.37' | S 83°31'15" E |

| LINE TABLE | | |
|---|---|---|
| NUMBER | DIRECTION | DISTANCE |
| L1 | S 89°55'51" W | 69.91' |
| L2 | N 61°31'17" E | 22.35' |

| RECORD LINE TABLE | | |
|---|---|---|
| NUMBER | DIRECTION | DISTANCE |
| *L1 | N 89°56'00" E | 71.25' |
| L2 | N 66°18'02" E | 166.68' OVERALL |




| LEGEND | |
|---|---|
| ● | 1/2" IRON ROD FOUND (UNLESS OTHERWISE NOTED) |
| ○ | 1/2" IRON ROD SET W/ PINK CAP STAMPED "TLS INC." |
| ■ | FENCE POST |
| | UTILITY POLE |
| —E— | ELECTRIC LINES |
| —ET— | ELECTRIC/TELEPHONE LINES |
| | PAVEMENT |
| O.P.R.W.C. | OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS |
| ( ) | RECORD INFORMATION |
| | CABLE TV |
| | FIBER OPTIC |
| | MANHOLE |
| | SIGN |
| | TRANSFORMER ON CONCRETE |
| C.M.P. | CORREGATED METAL PIPE |
| CONC. | CONCRETE |
| R.O.W. | RIGHT-OF-WAY |

NOTES:

-(*) INDICATES RECORD INFORMATION FROM THE RIGHT-OF-WAY TAKING, DESCRIBED IN A WARRANTY DEED RECORDED UNDER DOCUMENT NO. 2009051727.

THIS AREA DOES NOT APPEAR TO BE IN A SPECIAL FLOOD HAZARD AREA PER FEMA'S FLOOD INSURANCE RATE MAP #48491C0293F, DATED DEC. 20, 2019. THIS STATEMENT IS NOT MADE IN LIEU OF AN ELEVATION CERTIFICATE.

SURVEY PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT. OTHER EASEMENTS AND/OR RESTRICTIONS NOT SHOWN HEREON MAY AFFECT.

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS
COUNTY OF WILLIAMSON §

THAT SURVEYOR FOR TEXAS LAND SURVEYING, INC., HAVE THIS DATE CAUSED TO BE PERFORMED AN ON-THE-GROUND SURVEY UNDER MY SUPERVISION OF THE FOREGOING TRACT OF LAND AND TO THE BEST OF MY KNOWLEDGE AND BELIEF THERE ARE NO DISCREPANCIES, CONFLICTS, SHORTAGES IN AREA, ENCROACHMENTS, VISIBLE, UTILITY LINES OR ROADS IN PLACE, AND THAT SAID PROPERTY HAS ACCESS TO AND FROM A DEDICATED ROADWAY, EXCEPT AS SHOWN HEREON.

*Texas Land Surveying, Inc.*
-A Land Surveying Firm-
3613 Williams Drive, Suite 903 - Georgetown, Texas 78628
(512) 930-1600 www.texas-ls.com
TBPLS FIRM NO.10056200

IF THIS DOCUMENT DOES NOT CONTAIN THE STAMP AND SEAL OF THE UNDERSIGNED SURVEYOR, IT IS AN UNAUTHORIZED/ILLEGAL COPY. TEXAS LAND SURVEYING, INC. ASSUMES NO LIABILITY FROM THE USE OF ANY UNAUTHORIZED/ILLEGAL DOCUMENT.

STATE OF TEXAS REGISTERED WILLIAM C. STEWART 5785 PROFESSIONAL LAND SURVEYOR

Witness my hand and
16th Day of May, 2

© Copyright 2024 BY Texas Land Surveying, Inc. THIS SURVEY PROVIDED SOLELY FOR THE USE OF THE CURRENT PARTIES AND NO LICENSE HAS BEEN CREATED, EXPRESSED OR IMPLIED, TO COPY THE SURVEY EXCEPT AS NECESSARY IN CONJUNCTION WITH THE ORIGINAL TRANSACTION, WHICH SHALL TAKE PLACE WITHIN 90 DAYS OF THE COMPLETION OF THE SURVEY.

**FIELD NOTES**
JOB NO. 240412–00
DATE: 5-20-2024
PAGE 1 OF 2

**11.59 ACRES – EXHIBIT TO ACCOMPANY FIELD NOTES**

BEING 11.59 ACRES OF LAND SITUATED IN WILLIAMSON COUNTY, TEXAS, OUT OF THE LEWIS P. DYCHES SURVEY, ABSTRACT NO. 171, AND BEING A PORTION OF THAT TRACT OF LAND CALLED 13.82 ACRES, CONVEYED TO MIKE NATIONS, DESCRIBED IN A WARRANTY DEED, RECORDED UNDER DOCUMENT NO. 199972883 OF THE OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, AS SURVEYED ON THE GROUND ON THIS, THE 16TH DAY OF MAY, 2024, BY TEXAS LAND SURVEYING, INC., AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a ½" iron rod with illegible cap, found in the north right-of-way margin of RR-2338, in the east line of said Nations tract, for the southwest corner of a called 191.36 acres, conveyed to Highland Village Georgetown, LP, and described in a Warranty Deed recorded under Document No. 2018043854 of said Official Public Records, and the southeast corner of this parcel;

THENCE N 76º57'37" W, 578.11 feet, into, over and across said Nations tract, along said north margin of RR-2338, and the south line of this parcel, to a ½" iron rod with pink cap stamped "TLS" set, for an angle point in the south line of this parcel, and the start of a curve left, with a radius of 2974.64 feet, and a chord bearing N 83º31'12" W, at 679.83 feet;

THENCE continuing into, over and across said Nations tract, along said north margin of RR-2338, 681.31 feet along the arc of said curve left, to a TXDOT concrete monument with brass disc found, for the end of said curve left, and an angle point in the south line of this parcel;

THENCE continuing into, over and across said Nations tract, along said north margin of RR-2338, and the south line of this parcel, S 89º55'51" W, 69.91 feet to a TXDOT concrete monument with brass disc found in the northwesterly line of said Nations tract, for the southwest corner of this parcel, and an angle point in the north margin of RR-2338, from which a ½" iron rod with pink cap stamped "HR Green", found in said north margin of RR-2338, for an angle point in the south line of Parmer Ranch Phase One, a subdivision in Williamson County, Texas, according to the plat thereof recorded under Document No. 2021084149 of said Official Public Records, bears S 61º07'35" W, 20.77 feet;

THENCE N 61º31'17" E, 22.35 feet along the northwesterly line of said Nations tract, the south line of said Parmer Ranch Phase One, and the northwesterly line of this parcel, to a ½" iron rod with pink cap stamped "HR Green" found, for an angle point;

THENCE N 67º55'32" E, 1557.99 feet along, the northwesterly line of said Nations tract, in part, the south line of said Parmer Ranch Phase One, in part, the south line of Parmer Ranch Phases 2, 3, 4 and 17, a subdivision in Williamson County, Texas, according to the plat thereof, recorded under Document No. 2022049528 of said Official Public Records, and the northwesterly line of this parcel, to a ½" iron rod found, for the the northeast corner of said Nations tract, the northwest corner of Lot 1, Block 1, of Highland Village Phase II, Section II, a subdivision in Williamson County, Texas, according to the plat thereof, recorded under Document No. 2022044689 of said Official Public Records, and the northeast corner of this parcel, from which a ½" iron rod found in the north line of said Highland Village Phase II, Section II, for the southeast corner of Lot 10, an open space and drainage easement lot, of said Parmer Ranch Phases 2, 3, 4 and 17, bears N 68º05'56" E, 169.32 feet;

THENCE S 10º54'40" W, 818.03 feet along the east line of said Nations tract, the west line of said Highland Village Phase II, Section II, the west line of said Highland Village Georgetown, LP tract, and the east line of this parcel, to the **POINT OF BEGINNING**, and containing a computed area of 11.59 acres, more or less.

Bearings cited hereon based on Grid North Texas State Plane Coordinate System Central Zone (NAD83).

5-21-2024

William C. Stewart, RPLS No. 5785
State of Texas

STATE OF TEXAS
REGISTERED
WILLIAM C. STEWART
5785
PROFESSIONAL
LAND SURVEYOR

*Texas Land Surveying, Inc.*
3613 **Williams** Drive, Suite 903 – Georgetown, Texas 78628
(512) 930-1600 www.texas-ls.com
TBPLS FIRM No. 10056200

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Second Reading - Replacement Fourth Amendment to Development Agreement for Parkside on the River Subdivision**

SUGGESTED ACTION:
Second reading of an Ordinance of the City Council to amend Ordinance NOS. 2019-69, 2020-84, 2021-40, 2024-18, and 2026-11, and approve the Replacement Fourth Amendment to Development Agreement for Parkside on the River subdivision -- Nick Woolery, Assistant City Manager

ITEM SUMMARY:
This item relates to the Parkside on the River Subdivision. Effective November 19, 2019, the City, HM Parkside LP and HM CR 176-2243, LP entered into a Development Agreement pertaining to the Parkside on the River Subdivision (the "Original Agreement"). The Original Agreement has been amended by the "First Amendment to and Partial Assignment of Development Agreement Parkside on the River Subdivision (the "First Amendment") dated effective December 8, 2020, by the "Second Amendment to Development Agreement Parkside on the River Subdivision" (the "Second Amendment") dated effective May 25, 2021, by the "Third Amendment to Development Agreement Parkside on the River Subdivision" (the "Third Amendment") dated effective April 9, 2025, and by the "Fourth Amendment to the Development Agreement Parkside on the River Subdivision" (the "Original Fourth Amendment") dated effective February 10th, 2026. The history of this project is detailed in the RECITALS section of the attached Replacement Fourth Amendment.

The Original Fourth Amendment was recorded to, among other things, add the Dufner Tract into the Development Agreement, the Property, and the Project, establish the land use plan and other development and roadway requirements pertaining to the Dufner Tract, increase the number of acres in the Commercial Development Areas of the Project, and provide for the construction of the Dufner Tract Trail. The Original Fourth Amendment would become effective only if the conditions set out in Article III, Section D were met by April 11, 2026. All Amendment Conditions did not occur by that date, so the Original Fourth Amendment, although executed and recorded, did not become effective and is not in force and effect.

The City has disannexed the Dufner Tract from the City limits by Ordinance 2026-18 dated April 14, 2026, and all Amendment Conditions are satisfied except annexation of the Dufner Tract by POR MUD No 1. All parties now wish to enter into a Replacement Fourth Amendment to entirely replace the Original Fourth Amendment.

FINANCIAL IMPACT:
None at this time as there is no request for an increase in bonding capacity.

SUBMITTED BY:
Angela McBride, City Manager's Office

ATTACHMENTS:
Parkside Replacement 4th DA Amendment 5.5.26 FINAL.pdf

**ORDINANCE NO._____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS AMENDING ORDINANCE NOS. 2019-69, 2020-84, 2021-40, 2024-18, AND 2026-11, AND APPROVING A REPLACEMENT FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT FOR PARKSIDE ON THE RIVER SUBDIVISION," REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**RECITALS**

WHEREAS, on October 8, 2019, by City Council Ordinance No. 2019- 69, the City Council approved the "Development Agreement for Parkside on the River Subdivision" dated to be effective on November 19, 2020, and recorded under Document No. 2019117441, Official Public Records of Williamson County, Texas (the "Original Development Agreement") pertaining to land referred to in the Original Development Agreement as the Remainder Tract and the 2243 Acre Tract.

WHEREAS, on December 8, 2020, by City Council Ordinance No. 2020- 84, the City Council approved the " First Amendment to and Partial Assignment of Development Agreement for Parkside on the River" dated effective December 8, 2020 and recorded under Document No. 2020162167, Official Public Records of Williamson County, Texas, (the "First Amendment") to, among other things, address changed circumstances relating to School Tract and the Fire Station Tract.

WHEREAS, on May 25, 2021, by City Council Ordinance No. 2021-40, the City Council approved the "Second Amendment to Development Agreement Parkside on the River Subdivision," dated effective May 25, 2021, and recorded under Document No. 2021082512 Official Public Records of Williamson County, Texas, to add the GP II Property (therein defined) and HM GPII, LP to the Development Agreement (the "Second Amendment").

WHEREAS, on April 9, 2024, by City Council Ordinance No. 2024-18, the City Council approved the "Third Amendment to Development Agreement Parkside on the River Subdivision, dated effective April 9, 2025, and recorded under Document No. 2024031828 Official Public Records of Williamson County, Texas, to add the so-called

"Leader ETJ Tract" (therein defined) to the Development Agreement (the "Third Amendment").

WHEREAS, on January 15, 2026, HM Parkside acquired a certain 40.2-acre tract of land (the "*Dufner Tract*") which land is more particularly described in the attached Replacement Fourth Amendment to Development Agreement Parkside on the River Subdivision, and City, HM Parkside, HMPK Development, HM GP II, HM 2243 and HM GPII Development (each as defined in the attached document) entered into a proposed Fourth Amendment to Development Agreement Parkside on the River Subdivision, dated as of February 10, 2026 (the "*Original Fourth Amendment*") and recorded under Document No. 2026013970 in the Official Public Records of Williamson County, Texas, to further amend the Original Development Agreement, as modified by the First Amendment, the Second Amendment, and the Third Amendment, to, among other things, add the Dufner Tract into the Development Agreement, the Property, and the Project, establish the land use plan and other development and roadway requirements pertaining to the Dufner Tract, increase the number of acres in the Commercial Development Areas of the Project, provide for the construction of the Dufner Tract Trail, and make other changes related thereto. The Original Fourth Amendment would become effective only if the conditions set out in Article III, Section D thereof (the "*Amendment Conditions*") were met by April 11, 2026. All Amendment Conditions did not occur by that date, so the ***Original Fourth Amendment, although executed and recorded, did not become effective and is not in force and effect***.

WHEREAS, as of the Effective Date of the Replacement Fourth Amendment, the City has disannexed the Dufner Tract from the City limits by Ordinance 2026-18 dated April 14, 2026, and all Amendment Conditions are satisfied except annexation of the Dufner Tract by POR MUD No 1. City, HM Parkside, HMPK Development, HM GPII, HM 2243 and HM GPII Development now wish to enter into a Replacement Fourth Amendment to entirely replace the Original Fourth Amendment and to allow the remaining Amendment Condition to be completed.

WHEREAS, the City Council of the City of Georgetown finds that it has the authority to approve the Replacement Fourth Amendment to Development Agreement for Parkside on the River pursuant to Section 212. 172 of the Texas Local Government Code.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS THAT:**

1. The meeting at which this Ordinance was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

2. The City Council hereby finds that the foregoing recitals are true and correct, and the recitals are hereby incorporated into this Ordinance by reference for all purposes as set forth in full. The City Council hereby finds that this Ordinance compliance with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

3. The Replacement Fourth Amendment to Development Agreement Parkside on the River Subdivision in substantially the form attached hereto as ***Attachment 1*** is approved by the City Council and incorporated into this Ordinance for all purposes by this reference.

4. If any provision of this Ordinance or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are hereby declared to be severable.

5. The Mayor is authorized to sign this Ordinance and the Replacement Fourth Amendment to Development Agreement Parkside on the River Subdivision in substantially the form attached hereto as ***Attachment 1***, and the City Secretary is authorized to attest.

6. This Ordinance and the Replacement Fourth Amendment to Development Agreement Parkside on the River will become effective in accordance with the terms and conditions stated in the Replacement Fourth Amendment to Development Agreement Parkside on the River Subdivision, and the City Charter.

Attachment List:
***Attachment 1*** – Replacement Fourth Amendment to Development Agreement Parkside on the River Subdivision (including all exhibits and schedules)

PASSED AND APPROVED ON FIRST READING on the_____ day of _____, 2026.

PASSED AND APPROVED ON SECOND READING on the on the_____ day of _____, 2026.

**CITY OF GEORGETOWN, TEXAS**

By:_____
Printed Name:__Josh Schroeder_____
Title:_____Mayor_____

ATTEST:

By:_____
Robyn Densmore, City Secretary

APPROVED AS TO FORM:

By:_____
Skye Masson, City Attorney

| | | |
|---|---|---|
| **STATE OF TEXAS** | § | **REPLACEMENT** |
| | § | **FOURTH AMENDMENT TO** |
| **COUNTY OF WILLIAMSON** | § | **DEVELOPMENT AGREEMENT** |
| | § | **PARKSIDE ON THE RIVER** |
| **CITY OF GEORGETOWN** | § | **SUBDIVISION** |

This REPLACEMENT FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT ("*Replacement Fourth Amendment*") is entered into by and between the City of Georgetown, Texas, a Texas home-rule municipality located in Williamson County, Texas ("*City*"), HM Parkside, LP, a Texas limited partnership ("*HM Parkside*" or "*Primary Owner*"), HM Parkside Development, Inc., a Texas corporation affiliated with Primary Owner ("*HMPK Development*"), HM GPII, LP, a Texas limited partnership affiliated with Primary Owner ("*HM GPII*"), HM 2243 Development, Inc., a Texas corporation ("*HM 2243*"), and HM GPII Development, Inc., a Texas corporation ("*HM GPII Development*").

## I. RECITALS:

A. City, HM Parkside (as Primary Owner), and HM CR 176-2243, LP, a Texas limited partnership affiliated with Primary Owner ("*HM-CR*"; also referred to as "*Affiliated LP*") entered into the Development Agreement Parkside on the River Subdivision (the "*Original Development Agreement*"), dated as of November 19, 2019, and recorded under Document No. 2019117041, Official Public Records of Williamson County, Texas with respect to the original Property (defined in the Original Development Agreement).

B. City, HM Parkside, HM-CR, and HMPK Development entered into a First Amendment to and Partial Assignment of Development Agreement Parkside on the River Subdivision (the "*First Amendment*") dated as of December 8, 2020, and recorded under Document No. 2020162167, Official Public Records of Williamson County, Texas. The First Amendment amends the Original Development Agreement and acknowledges the conveyance by HM Parkside to HMPK Development of certain land described in Assumption Special Warranty Deed recorded under Document No. 2020068300, Official Public Records of Williamson County, Texas, and referred to as the "*Initial HM Development Property*" herein and in the First Amendment and the assignment by HM Parkside to HMPK Development of HM Parkside's interest in the Development Agreement and the Second A&R Consent Agreement (defined in Recital L below) as they related to the Initial HM Development Property by Partial Assignment and Assumption

Agreements recorded in the Official Public Records of Williamson County, Texas as Document Nos. 2020141874 as to the Development Agreement and 2020073238 as to the Second A&R Consent Agreement.

C. City, HM Parkside, HM-CR, HMPK Development, and HM GPII entered into a Second Amendment to Development Agreement Parkside on the River Subdivision (the "*Second Amendment*") dated as of May 25, 2021, and recorded under Document No. 2021082512, Official Public Records of Williamson County, Texas, which added certain land described therein and referred to as the "*GP II Property*" to the Property covered by the Original Development Agreement, as modified by the First Amendment, and further modified the Original Development Agreement as set forth therein.

D. By Assignment and Assumption Agreement Development Agreement Parkside on the River Subdivision dated as of December 15, 2021 and recorded under Document No. 2021190022, Official Public Records of Williamson County, Texas, HM-CR assigned to HM 2243 all of its interest in and to the Original Development Agreement, First Amendment and Second Amendment in connection with the conveyance to HM 2243 of the 2243 South Tract, as defined and described in the Original Development Agreement (save and except certain land conveyed to Williamson County as right of way) and of the Leander ETJ Tract, as defined and described in the Original Development Agreement, so that references in the Original Development Agreement to "*Affiliated LP*" now mean and refer to HM 2243. HM-CR concurrently assigned all its interest in the Second A&R Consent Agreement to HM 2243 by Assignment and Assumption Agreement dated as of December 15, 2021 and recorded under Document No. 2021190025, Official Public Records of Williamson County, Texas.

E. By Partial Assignment and Assumption Agreement dated as of December 28, 2021 and recorded under Document No. 2021195623, Official Public Records of Williamson County, Texas, HM Parkside assigned its interest in and to the Original Development Agreement, First Amendment, and Second Amendment to HMPK Development as to certain land described therein and referred to as the "*2nd HM Development Property*" (so referred to herein). HM Parkside concurrently assigned to HMPK Development its interest in and to the Second A&R Consent Agreement as to the 2nd HM Development Property by Partial Assignment and Assumption Agreement recorded under Document No. 2021195619, Official Public Records of Williamson County, Texas.

F. By Partial Assignment and Assumption Agreement dated as of March 1, 2024 and recorded under Document No. 2024015946, Official Public Records of Williamson County, Texas, HM Parkside assigned its interest in and to the Original Development Agreement, First Amendment and Second Amendment to HMPK Development as to certain land described therein and referred to as the "*3rd HM Development Property*" (so referred to herein). HM Parkside concurrently assigned to HMPK Development its interest in and to the Second A&R Consent Agreement as to the 3rd HM Development Property by Partial Assignment and Assumption Agreement recorded under Document No. 2024015951, Official Public Records of Williamson County, Texas.

G. City, HM Parkside, HM 2243, HMPK Development, and HM GPII entered into a Third Amendment to Development Agreement Parkside on the River Subdivision (the "*Third Amendment*") dated as of April 10, 2024, and recorded under Document No. 2024031828, Official Public Records of Williamson County, Texas, which added the Leander ETJ Tract to the Original Development Agreement, as modified by the First Amendment and the Second Amendment.

H. On September 6, 2024, HM GPII conveyed to HM GP II Development 33.38 acres (the "*1st GPII Development Property*") out of the "47-Acre Tract" (as described and so referred to in the Second Amendment) via Special Warranty Deed recorded in the Official Public Records of Williamson County, Texas as Document No. 2024071340, and simultaneously assigned its interest in the Development Agreement and the Second A&R Consent Agreement as they relate to the 1st GPII Development Property to HM GPII Development by Partial Assignment and Assumption Agreements recorded in the Official Public Records of Williamson County, Texas as Document Nos. 2024071341 as to the Development Agreement and 2024071342 as to the Second A&R Consent Agreement.

I. On June 3, 2025, HM GPII conveyed to HM GP II Development 141.19 acres (the "*2nd GPII Development Property*") out of the "314 Acre Tract" (described and so referred to in the Second Amendment) via Special Warranty Deed recorded in the Official Public Records of Williamson County, Texas as Document No. 2025042999, and simultaneously assigned its interest in the Development Agreement and the Second A&R Consent Agreement as they relate to the 2nd GPII Development Property to HM GPII Development by Partial Assignment and Assumption Agreements recorded in the Official Public Records of Williamson County, Texas as Document Nos. 2025043001 as to the Development Agreement and 2025043000 as to the Second A&R Consent Agreement.

J. On January 15, 2026, HM Parkside acquired a certain 40.2-acre tract of land adjacent to the Remainder Property (the "*Dufner Tract*") which land is more particularly described below, and City, HM Parkside, HMPK Development, HM GP II, HM 2243 and HM GPII Development entered into a proposed Fourth Amendment to Development Agreement Parkside on the River Subdivision, dated as of February 10, 2026 (the "*Original Fourth Amendment*") and recorded under Document No. 2026013970 in the Official Public Records of Williamson County, Texas, to further amend the Original Development Agreement, as modified by the First Amendment, the Second Amendment, and the Third Amendment, to, among other things, add the Dufner Tract into the Development Agreement, the Property, and the Project, establish the land use plan and other development and roadway requirements pertaining to the Dufner Tract, increase the number of acres in the Commercial Development Areas of the Project, provide for the construction of the Dufner Tract Trail, and make other changes related thereto. The Original Fourth Amendment would become effective only if the conditions set out in Article II, Section D thereof (the "*Amendment Conditions*") were met by April 11, 2026. All Amendment Conditions did not occur by that date, so the ***Original Fourth Amendment, although executed and recorded, did not become effective and is not in force and effect***.

K. As of execution of this Replacement Fourth Amendment, the City has disannexed the Dufner Tract from the City limits by Ordinance No. 2026-18 dated April 14, 2026, and all Amendment Conditions are satisfied except annexation of the Dufner Tract by POR MUD No 1. City, HM Parkside, HMPK Development, HM GPII, HM 2243 and HM GPII Development now wish to enter into this Replacement Fourth Amendment to entirely replace the Original Fourth Amendment and to allow the remaining Amendment Condition to be completed.

L. City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development, Williamson County Municipal Utility District No. 25, a municipal utility district created under Chapters 49 and 54 of the Texas Water Code (the "*District*" or "*WCMUD No. 25*"), Parkside on the River Municipal Utility District No. 1 ("*POR MUD No. 1*"), Parkside on the River Municipal Utility District No. 2 ("*POR MUD No. 2*"), and Parkside on the River Municipal Utility District No. 3 ("*POR MUD No. 3*") are the current parties to that certain Second Amended and Restated Consent Agreement (the "*Second A&R Consent Agreement*"), dated as of October 17, 2019, and recorded under Document No. 2019117039, Official Public Records of Williamson County, Texas, as amended by First Amendment to Second Amended and Restated Consent Agreement, dated as of June 8, 2021, and re-recorded under Document No. 2021086193 ("*First Amendment to Second A&R*

*Consent Agreement*"), which added the GPII Property under Second A&R Consent Agreement and made other modifications, and as amended by Second Amendment to Second Amended and Restated Consent Agreement, dated as of April 10, 2024, and recorded under Document No. 2024031829, Official Public Records of Williamson County, Texas ("*Second Amendment to Second A&R Consent Agreement*"), which added the Leander ETJ Tract into the Property and consented to the annexation of the Leander ETJ Tract into the boundaries of WCMUD No. 25. By separate agreement, City, HM Parkside, HMPK Development, HM GPII, HM 2243, HM GPII Development, WCMUD No. 25, POR MUD No. 1, POR MUD No. 2, and POR MUD No. 3 are amending the Second A&R Consent Agreement, as amended by First Amendment to Second A&R Consent Agreement and by Second Amendment to Second A&R Consent Agreement, to allow the annexation of the Dufner Tract into POR MUD No. 1 (such agreement, the "*Replacement Third Amendment to Second A&R Consent Agreement*").

**NOW, THEREFORE,** for and in consideration of the promises and the mutual agreements set forth herein, the City, HM Parkside, HMPK Development, HM GPII, HM 2243 and HM GPII Development hereby agree as follows:

## II. AMENDMENTS

A. **Definitions.**

1 **New Definitions**. The following terms are added to the Definitions in Section 2.01:

"*Condominium*" has the meaning defined in the UDC.

"*Curb Extension Improvements*" means the improvements for intersection and mid-block curb extensions to be constructed by Owner at no cost to the City in the eight (8) locations shown on ***Exhibit J-9***. The Curb Extension Improvements shown in ***Exhibit J-9*** are located on the Dufner Tract and on the segment of Barton Oak Trail to be built on the Original Property from the west boundary of the Dufner Tract to its intersection with Greenview Parkway. The specifications for the curb extensions are stated in ***Exhibit J-9***.

*"Dufner MF Area"* means the area within the Dufner Tract labeled as "RDA/MF-1" on ***Exhibit F*** attached to the Replacement Fourth Amendment, or as "=/- 4.88 AC Townhome/Condo (MF)" on ***Exhibit H-3*** attached to the Replacement Fourth Amendment.

*"Dufner SF Areas"* means the areas within the Dufner Tract labeled as RDA/SF" on ***Exhibit F*** attached to the Replacement Fourth Amendment.

*"Dufner Tract"* means that certain 40.2 acres of land in the Joseph Thompson Survey, Abstract No. 608, Williamson County, Texas, being the 17.60-acre tract and a 22.6-acre tract conveyed to HM Parkside by special warranty deed dated January 15, 2026 and recorded in Document No. 2026003622, Official Public Records of Williamson County, Texas; said 40.199 acres being more particularly described by metes and bounds and sketch on the attached **Schedule 8.**

"*Dufner Tract Entry Road*" means the roadway providing access from RM 2243 to the Dufner Tract to be designed and constructed by Owner at no cost to the City in accordance with the Governing Regulations and this Agreement, including ***Exhibits J-2 and J-10.***

"*Dufner Tract Trail*" means the 10′ wide hike and bike trail to be built within the Open Space in the general location shown on the Open Space Plan attached to the Replacement Fourth Amendment as ***Exhibit H-1***, commencing at a point on the Dufner Tract near the intersection of the proposed extension of Sherry Oak Way and the proposed "Future Road" (shown on ***Exhibit H-3***), and extending into the Open Space north of the Dufner Tract to connect with a proposed native trail to be constructed along the path of the Barton Tributary wastewater line. The Dufner Tract Trail will be concrete in part and native trail, in part, as shown on ***Exhibit H-3***. The Dufner Tract Trail will be constructed by Owner at no cost to the City as a part of the Project's Open Space trail network contemplated in Section 3.08(b).

"*Residential Collector*" means roads built by Owner within the Property to the specifications shown on ***Exhibit J-10***. Residential Collector Roads will have a 68′ ROW.

"*RM 2243/Dufner Tract Entry Road Intersection*" means the intersection of the proposed Dufner Tract Entry Road and RM 2243.

"*Roadway Exhibit*" means ***Exhibit J-1***, ***Exhibit J-9*** and ***Exhibit J-10*** attached to this Replacement Fourth Amendment, ***Exhibits J-2 through Exhibit J-6***

attached to the Original Development Agreement, and ***Exhibit J-7*** and ***Exhibit J-8*** attached to the Third Amendment.

"*Third Amendment to Second A&R Consent Agreement"* means the Replacement Third Amendment to Second A&R Consent Agreement in the form attached as **Schedule 9** to the Replacement Fourth Amendment.

"*Townhouse"* has the meaning defined in the UDC.

"*New Tree Preservation Requirements*" means the provisions of Sections 8.01 and 8.02 of the City of Georgetown Unified Development Code (as set out in Exhibits "A" and "B" of City of Georgetown Ordinance 2025-54, respectively) in effect on the date of City Council approval of this Replacement Fourth Amendment, together with the review and approval provisions of Section 8.05 of the City of Georgetown Unified Development Code (as set out in Exhibit "C" of City of Georgetown Ordinance 2025-54) in effect on the date of City Council approval of this Replacement Fourth Amendment.

2 **Amended Definitions**. The following terms defined in Section 2.01 are repealed and replaced with the following:

"*Agreement*" means the Original Development Agreement (defined in Recital A to this Replacement Fourth Amendment), as amended by the First Amendment (defined in Recital B to this Replacement Fourth Amendment), the Second Amendment (defined in Recital C to this Replacement Fourth Amendment), the Third Amendment (defined in Recital D to this Replacement Fourth Amendment), and this Replacement Fourth Amendment.

"*Amended Consent Agreement*" means the Second A&R Consent Agreement (defined in Recital L to this Replacement Fourth Amendment), as amended by the First Amendment to Second A&R Consent Agreement (defined in Recital L to this Replacement Fourth Amendment), the Second Amendment to Second A&R Consent Agreement (defined in Recital L to this Replacement Fourth Amendment), and the Third Amendment to Second A&R Consent Agreement, dated on approximately even date herewith.

"*Land Use Plan*" means the land use plan attached to the Replacement Fourth Amendment as ***Exhibit F*.**

"*Open Space*" means all Parkland, the River Trail Parking Lot, HOA Parks (including the portions of the HOA Parks used for Amenity Centers) and land designated as "OS" or "Open Space" on the Open Space Plan and the Land Use Plan. The aggregate Open Space must contain at least 323 acres located on the Property.

"*Open Space Plan*" means the plan attached to the Replacement Fourth Amendment as ***Exhibit H-1***.

"*Owner*" means HM Parkside (also referred to as "Primary Owner") as to all the Remainder Property except the Initial HM Development Property, the 2nd HM Development Property and the 3rd HM Development Property; HMPK Development as to the Initial HM Development Property, the 2nd HM Development Property and the 3rd HM Development Property; HM 2243 (also referred to as "Affiliated LP" notwithstanding that HM 2243 is not a limited partnership) as to the 2243 South Tract and the Leander ETJ Tract; HM GPII as to all the GPII Property except the 1st GPII Development Property and the 2nd GPII Development Property; HM GPII Development as to the 1st GPII Development Property and the 2nd GPII Development Property; and Primary Owner as to the Dufner Tract, and their respective permitted assigns under this Agreement, but does not include a Lender unless the Lender forecloses and elects to become a party to this Agreement as permitted by **Section 11.11(h)** and does not include an End Buyer. The terms Initial HM Development Property, 2nd HM Development Property, 3rd HM Development Property, 1st GPII Development Property and 2nd GPII Development Property have the meanings set out in the Recitals to the Replacement Fourth Amendment.

"*POR MUD No. 1*" means Parkside on the River Municipal Utility District No. 1, consisting of approximately 272.512 acres of land, as described and shown on **Schedule 6** attached to the Third Amendment, as more fully described in that certain "Order Granting the Petition for Creation of Parkside on the River Municipal Utility District No. 1" issued by the TCEQ on July 16, 2020; if approved by the POR MUD No. 1 Board of Directors, POR MUD No. 1 also will include the Dufner Tract as described and shown on **Schedule 8**.

"*Property*" means, collectively, the Remainder Property, the 2243 South Tract, the GPII Property, the Leander ETJ Tract, and the Dufner Tract. The area map of the Property is attached to this Replacement Fourth Amendment as ***Exhibit C***.

B. **Amendment to Section 3.01 and Exhibit F**. Section 3.01 and Exhibit F, pertaining to the Land Use Plan, are hereby repealed and replaced with the following:

**"Section 3.01. Land Use Plan**. The City hereby approves the Land Use Plan in the form attached as ***Exhibit F*** to this Replacement Fourth Amendment. Owner shall Develop the Project on the Property in conformance with the Land Use Plan and the Governing Regulations."

C. **Amendment to Add New Section 3.06(j).** Section 3.06(j), pertaining to the Dufner Tract Entry Road and the RM 2243/Dufner Tract Entry Road Intersection, is hereby added as follows:

"**Section 3.06. Roadways . . .**

. . .

**(j). Dufner Tract Entry Road and RM 2243/Dufner Tract Entry Road Intersection**. Owner agrees to design and build or cause to be designed and built, at no cost to the City, the Dufner Tract Entry Road as a Residential Collector 68' ROW roadway as shown on ***Exhibit J-10***from FM 2243 to proposed Barton Oak Trail, and as a Residential Local 50' ROW roadway as shown on ***Exhibit J-2*** from proposed Barton Oak Trail to proposed Sherry Oak Way. Owner agrees that it shall design and build, or cause to be designed and built, at no cost to the City, intersection and roadway improvements at the RM 2243/ Dufner Tract Entry Road Intersection. The RM 2243/Dufner Tract Entry Road Intersection will be a right-in/right-out only intersection, with a maximum 12 foot wide deceleration lane parallelling and along the northern side of the existing RM 2243 right of way for a distance of 550 feet (as measured from the center of the RM 2243/Dufner Tract Entry Road Intersection) enabling a safe right turn from RM 2243 into the Dufner Tract.."

D. **Amendment to Add New Section 3.06(k).** Section 3.06(k), pertaining to Traffic Calming Improvements on the Dufner Tract, is hereby added as follows:

"**(k)**. **Curb Extension Improvements**. Owner shall design and build, or cause to be designed and built, the Curb Extension Improvements in the eight (8) areas shown on ***Exhibit J-9*** in conformance with the Governing Regulations and the specifications on ***Exhibit J-9***."

E. **Amendment to Add New Section 3.06(l).** New Section 3.06(l), pertaining to payment of a transportation fee, is hereby added as follows:

**"(l). Transportation Fee**. Owner agrees that it shall pay a supplemental transportation fee of $1,500 per each single-family Dwelling Unit located within the Dufner Tract only (no fee is payable for lots or units developed under Multifamily Development Standards and no fee is payable for Dwelling Units located on any other portion of the Property). Each supplemental transportation fee will be paid to the City at the time of building permit application or certificate of occupancy (as applicable) for such a single-family Dwelling Unit as consideration for the City's agreement to not require Owner to construct traffic signalization improvements at the RM 2243/Dufner Tract Entry Road Intersection under this Agreement."

F. **Amendment to Section 3.08.** Subsection 3.08 is hereby repealed and replaced with the following:

**"Section 3.08 Trails, River Trail Parking Lot.**

(a) Requirement to Construct and Install. Owner will Complete the River Trail, the Connecting Trail, and the River Trail Parking Lot on or before the Bridge Completion Deadline. Owner will Complete the GPII River Trail on or before the GPII River Trail Completion Deadline. Each of the GPII River Trail and the River Trail must meet the specifications set forth in ***Exhibit H-2***. Owner will install within the Parkland and in the River Trail Parking Lot waste or trash receptacles meeting City specifications in locations determined by the City's Director of Parks and Recreation, or her designee. The Connecting Trail must be ADA accessible (as modified by FSORAG). The City may accelerate the GPII River Trail Completion Deadline if, and only if, (a) the Bridge Completion Deadline has occurred and (b) the City (or another third party) Completes to the northwesternmost boundary of the GPII Parkland a trail substantially meeting the specifications set out in ***Exhibit H-2*** which provides continuous connectivity from the

northwesternmost boundary of the GPII Parkland westward to Garey Park. If both such conditions are met, the City may (but is not obligated to) notify Owner in writing that the GPII River Trail Completion Deadline is accelerated, and upon Owner's receipt of such a notice, the GPII River Trail Completion Deadline will be 18 months from the date of the City's written notice of acceleration. Owner will complete the Dufner Tract Trail on or before the date that it Completes construction of that portion of "Future Road" on the Dufner Tract extending from its intersection with Sherry Oak Way northerly to a cul-de-sac, as shown on ***Exhibit H-3***.

(b) Trail Network. The Project will include trails within the Open Space in addition to the River Trail, the Connecting Trail, and the GPII River Trail. All trails within the Open Space are exempt from the requirements of Section 12.02 of the UDC. The trail network, which will include the Dufner Tract Trail, will provide access to the Parkland from the neighborhoods in the Residential Development Areas adjacent to the Parkland.

(c) Maintenance. Within 60 days after Completion of the River Trail, the Connecting Trail, and the River Trail Parking Lot, Owner (i) will transfer ownership of the River Trail and Connecting Trail improvements to the City or the City's designee for maintenance, and (ii) will transfer ownership of the River Trail Parking Lot to an HOA and such HOA thereafter will maintain the River Trail Parking Lot. Within 60 days after Completion of the GPII River Trail, Owner will transfer ownership of the GPII River Trail improvements to the City or the City's designee for maintenance. Owner shall maintain the River Trail, the Connecting Trail, the River Trail Parking Lot and the GPII River Trail, until transferred to the City or an HOA, as applicable. All transfers of improvements under this **Section 3.08(c)** will include transfers of warranties, bonds, and guarantees associated with the transferred improvements, and the form of transfer or assignment and assumption agreement shall be subject to approval by the City, which shall not be unreasonably withheld. Owner shall maintain all other trails within the trail network until ownership of such trails is transferred to an HOA, and after ownership is so transferred the applicable HOA will maintain such trails.

(d) Joint Use Agreement. The City, HOA and Owner will enter into a joint use agreement granting the City nonexclusive rights to use the River Trail

Parking Lot in support of the Parkland, River Trail, and Connecting Trail in common with Owner and the End Buyers within the Project. "

G. **Amendment to Section 4.01(d).** Subsection 4.01(d), pertaining to Multi Family Development Standards, is hereby repealed and replaced with the following:

**"4.01 Residential Development Areas.**

(d) Multifamily Development Restrictions and Standards.

(1) Master Metering Prohibited. Each Townhouse dwelling unit and each Condominium dwelling unit within the Dufner Tract must be connected to an individual water meter; no master-meters or meters serving more than one Townhouse or one Condominium dwelling unit are permitted.

(2) Special Provisions Related to Multifamily Development on the Dufner Tract. The Dufner MF Area will be contained within a single final plat, which will not be accepted or approved by the City unless and until vehicular access improvements complying with the requirements of the UDC and the City Fire Code and providing vehicular access to the Dufner MF Area are Completed. If private driveways are utilized for such access, the private driveways (i) must meet the design and construction specifications of the UDC and City Fire Code pertaining to number of connections and design and construction requirements, (ii) must be included within the final plat of the Dufner MF Area, and (iii) must be owned, operated and maintained by the owner of the Dufner MF Area (or if applicable, a condominium association or property owner's association for the Dufner MF Area).

(3) Other Development Standards. The Multifamily Development Standards in ***Exhibit M-1***, as modified by Section 4.01(d)(1) and (2), apply to Multifamily Development in the Residential Development Areas."

H. **Amendment to Section 4.01(e**). Section 4.01(e), pertaining to tree preservation in Residential Development Areas, is hereby repealed and replaced with the following**:**

"(e) Tree Preservation Standards.

(1) Complete Applications. For all applications that affect the development and use of the Property that were determined by the City's Planning Director (or authorized designee) to be complete before the effective date of this Replacement Fourth Amendment, the Tree Preservation Standards in ***Exhibit L*** attached to the Second Amendment and applicable to Residential Development Areas apply.

(2) Incomplete Applications. For all applications that affect the development and use of the Property that were filed but were not determined to be complete by the City's Planning Director (or authorized designee) before the effective date of this Replacement Fourth Amendment, the Tree Preservation Standards in ***Exhibit L*** attached to the Second Amendment and applicable to Residential Development Areas apply; provided however that Owner shall have the right to withdraw such an incomplete application and submit a new application (together with the application fee) conforming to the New Tree Preservation Requirements as to such application.

(3) New Applications. For all applications that affect the development and use of the Property that are filed with the City after the effective date of this Replacement Fourth Amendment, the New Tree Preservation Requirements shall apply."

I. **Amendment to Add New Section 4.01(h).** Subsection 4.01(h), pertaining to "Landscaping," is hereby added as follows:

**"(h) Water Conservation Landscaping**. Within the Dufner Tract only, installation of St. Augustine grass is prohibited, and Owner shall not install, or allow the installation of, St. Augustine grass on any portion of the Dufner Tract. Within the Dufner Tract only, installation of sod within a Lot side setback area ten feet (10') or less in width is prohibited, and Owner shall not install, or allow the installation of, sod within Lot side setback areas that are ten feet (10') or less in width."

J. **Amendment to Section 4.02.** The first sentence of Section 4.02, pertaining to "Commercial Development Areas," is hereby repealed and replaced with the following:

"4.02 **Commercial Development Areas**. Development of Commercial Development Areas shall meet the lot and dimensional standards contained in Section 7.03 of the UDC pertaining to areas

zoned "C-3," the building and site design standards contained in Section 7.04 and Section 7.05 of the UDC pertaining to areas zoned "C-3", and the Non-Residential Standards of Chapter 8 of the UDC, as if the Project was in the City limits except as follows: ..."

K. **Amendment to Add New Section 4.02(h).** Subsection 4.02(h), pertaining to "Landscaping," is hereby added as follows:

**"(h) Water Conservation Landscaping**. Within the Dufner Tract only, installation of St. Augustine grass is prohibited, and Owner shall not install, or allow the installation of, St. Augustine grass on any portion of the Dufner Tract. Within the Dufner Tract only, installation of sod within a Lot side setback area ten feet (10') or less in width is prohibited, and Owner shall not install, or allow the installation of, sod within Lot side setback areas that are ten feet (10') or less in width."

L. **Amendment to Section 4.03(b)**. Section 4.03(b), pertaining to Stormwater Runoff, is hereby repealed and replaced with the following:

**"Section 4.03. Stormwater Runoff**

. . . .

**(b) 2243 South Tract, GPII Property, Leander ETJ Tract, and Dufner Tract.** A drainage report must be submitted with each preliminary plat application that includes land in the 2243 South Tract, the GP II Property, the Leander ETJ Tract, and/or the Dufner Tract prepared in conformance with Chapter 11.04 of the UDC."

M. **Amendment to Add New Section 4.04(c)**. Section 4.04(c), pertaining to Dufner Tract/Parkland Fee in Lieu, is hereby added:

**"Section 4.04 Parkland**

**. . .**

**(c) Dufner Tract/Parkland Fee In Lieu.** No dedication of parkland is required within the Dufner Tract; however, Owner shall construct the Dufner Tract Trail when and as required by the Replacement Fourth Amendment and shall pay a fee-in-lieu of dedicating parkland as follows:

i. "Dufner MF Area – The parkland dedication fee-in-lieu is waived. Fifty percent (50%) of the parkland development fee-in-lieu in effect at the time of site plan approval multiplied by the number of dwelling units shown on the site plan will be paid in full before and as a condition of site plan approval, it

being agreed that the entire Dufner MF Area will be included on one site plan; and

ii. "Dufner SF Area – The parkland dedication fee-in-lieu is waived. Fifty percent (50%) of the parkland development fee-in-lieu in effect at the time of final plat approval multiplied by the number of Lots shown on each final plat for the Dufner SF Area will be paid in full before and as a condition of each final plat approval."

N. **Amendment to Section 5.01**. Section 5.01, pertaining to Construction of On-Site Facilities, is hereby repealed and replaced with the following:

"**Section 5.01 Construction of On-Site Facilities.**
(a) General. Owner shall design and build all On-Site Facilities necessary to serve the Property within Utility Easements or ROW in accordance with the Governing Regulations. The City may use the On-Site Facilities as part of the City's overall water and wastewater systems, but the City agrees such use will not impair the City's ability to serve the Property in conformance with the terms and conditions of this Agreement.

(b) Three Gate Valves Required. Owner shall install two (2) new sixteen-inch (16") gate valves on the City's existing sixteen-inch (16") water line on the north side of FM 2243 (RM 2243), and one (1) new gate valve on a new water line to be constructed by Owner extending from said existing sixteen-inch (16") water line into the Dufner Tract. In addition, any water lines designed for or capable of reaching 100 PSI must have a dual-station, main line pressure reducing valve."

O. **Amendment to Section 9.01(a).** Section 9.01(a), pertaining to Impact Fees, is hereby repealed and replaced with the following:

**"Section 9.01 Impact Fees; Allocation of Capacity**

**(a) Impact Fees**. In consideration of the Former Owner's construction of the SSGI and Primary Owner's payment of the Off-site Capacity Payment, the Impact Fees payable by Owners and End Buyers within all of the Property ***except the GPII Property, the Leander ETJ Tract, and the Dufner Tract*** are (i) for water, the Water Impact Fee of $3,324.00 per SUE, and (ii) for wastewater, the Wastewater Impact Fee of $2,683.00 per SUE. The

water impact fee per SUE and the wastewater impact fee per SUE will be assessed by the City and must be paid at the time of final plat approval as to each plat within the GPII Property, the Leander ETJ Tract, and the Dufner Tract, and the amount of such fees will be the amounts in effect per City Code of Ordinances Chapter 13.32, as said impact fees may be amended from time to time in accordance with the requirements of Chapter 395 of the Texas Local Government Code in the City Council's sole discretion. As portions of the GPII Property and the Remainder Tract are contiguous, if a final subdivision plat approved by applicable Governmental Authorities includes land out of both the GPII Property and the Remainder Tract, (a) Owner will identify as to each single family lot within such plat (i) whether the lot lies wholly the GPII Property, wholly the Remainder Tract, or partly within the GPII Property and partly within the Remainder Tract, and (ii) as to any lot that lies partly within the GPII Property and partly within the Remainder Tract (a "*Mixed Lot*"), the percentage of the area of the Mixed Lot consisting of GPII Property and the percentage of area of the Mixed Lot consisting of the Remainder Tract, (b) the impact fees assessed against each single family lot that lies wholly within the GPII Property will be the impact fees assessed against the GPII Property, (c) the impact fees assessed against each single family lot that lies wholly within the Remainder Tract will be the impact fees assessed against the Remainder Tract, and (d) the impact fees assessed against each Mixed Lot will be the impact fees assessed against the portion of the Property that is more than 50% of the area of such Mixed Lot (*e.g.*, if the Remainder Tract constitutes more than 50% of a Mixed Lot, that Mixed Lot will be assessed the same impact fees as are assessed within the Remainder Tract). For clarity, the addition of the GP II Property, the Leander ETJ Tract, and the Dufner Tract into the "Property" does not increase Owner's maximum available capacity interest of water or wastewater SUEs under Section 6.01(c) and Section 6.02(b) of the Original Development Agreement, which remain at a maximum of 4,600 SUEs. Owner agrees that this agreement to allow the City to assess and collect Water Impact Fees, Wastewater Impact Fees, and impact fees calculated pursuant to Chapter 13.32 of the City Code of Ordinances (as applicable, per the terms of the Replacement Fourth Amendment) within the Property is authorized and enforceable under Section 395.018 of the Texas Local Government Code, and consent to the applicability of said Section 395.018."

## III. Miscellaneous.

A. Effect of Recitals. The Parties agree that the Recitals in this Replacement Fourth Amendment are true and correct.

B. Defined Terms. Unless amended by this Replacement Fourth Amendment, capitalized terms used in this Replacement Fourth Amendment that are not otherwise defined shall have the meanings set forth in the Original Development Agreement, First Amendment, Second Amendment, or Third Amendment, as applicable.

C. Counterparts. This Replacement Fourth Amendment may be executed in multiple counterparts, each of which shall be deemed an original instrument, and all of which, taken together, shall constitute one and the same instrument. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.

D. Effective Date: This Replacement Fourth Amendment will become effective if the Dufner Tract is annexed into the boundaries of POR MUD No. 1 before the date that is sixty (60) days after the City Council has approved this Replacement Fourth Amendment. If the foregoing condition is not met before the date that is sixty (60) days after the City Council approves this Replacement Fourth Amendment, this Replacement Fourth Amendment will automatically terminate and be null and void and have no force or effect.

E. Recording. This Replacement Fourth Amendment will be recorded in the Official Records of Williamson County, Texas by Primary Owner at Primary Owner's expense.

F. Exhibit List. The following Exhibits are made part of this Agreement by this reference.

| | | |
|---|---|---|
| Exhibit A - | Description of Remainder Property | Original Agreement |
| Exhibit B - | Description of 2243 South Tract | Original Agreement |
| Exhibit C - | Area Map | Replacement Fourth Amendment |
| Exhibit D - | Form of Second Amended and Restated Consent Agreement | Original Agreement |

| | | |
|---|---|---|
| Exhibit E-1 - | Approved Form (for Water Transmission Line Easement) | Original Agreement |
| Exhibit E-2 - | Approved Form (for Utility Easements) | Original Agreement |
| Exhibit E-3 - | Approved Form (for Access Easements) | Original Agreement |
| Exhibit E-4 - | Approved Form (for License Agreement) | Original Agreement |
| Exhibit F | Land Use Plan | Replacement Fourth Amendment |
| Exhibit G-1 - | Multifamily Permitted Uses | Original Agreement |
| Exhibit G-2 - | Commercial, Civic and Temporary Permitted Uses | Original Agreement |
| Exhibit H-1 - | Open Space, Parkland, and Trails Plan | Replacement Fourth Amendment |
| Exhibit H-2 - | River Trail Specifications | Original Agreement |
| Exhibit H-3 - | Dufner Tract Trail Specifications | Replacement Fourth Amendment |
| Exhibit I-1 - | Permitted Exceptions | Second Amendment |
| Exhibit I-2 - | Use Exceptions (Fire Station) | Original Agreement |
| Exhibit J-1 - | Roadway and Connectivity Plan | Replacement Fourth Amendment |
| Exhibit J-2 - | Residential Local 50′ Roadway | Original Agreement |
| Exhibit J-3 - | Residential Local 60′ Roadway | Original Agreement |
| Exhibit J-4 - | Parkway B – Without Median | Original Agreement |
| Exhibit J-5 - | Parkway B – With Median | Original Agreement |
| Exhibit J-6 - | Parkside Parkway | Original Agreement |
| Exhibit J-7 - | Phasing Plan | Replacement Fourth Amendment |
| Exhibit J-8 - | Cypress Paul Street on Leander ETJ Tract | Third Amendment |
| Exhibit J-9 - | Dufner Tract Traffic Calming Extension Locations and Specifications and Private Drive | Replacement Fourth Amendment |
| Exhibit J-10 - | Residential Collector Roadway | Replacement Fourth Amendment |
| Exhibit K-1 - | Entry Features | Original Agreement |
| Exhibit K-2 - | Marketing and Directional Signs | Second Amendment |
| Exhibit L - | Tree Preservation Standards | Second Amendment |
| Exhibit M-1 - | Residential Development Area Standards (SF and MF) | Original Agreement |

| | | |
|---|---|---|
| Exhibit M-2 - | Residential Architectural Standards for SF | Original Agreement |
| Exhibit M-3 - | Commercial Development Area Standards | Original Agreement |
| Exhibit N - | Draw Procedure | Original Agreement |
| Exhibit O-1 - | Form of Traffic Fiscal Security | Original Agreement |
| Exhibit O-2 - | Form of Bridge Fiscal Security | Original Agreement |
| Schedule 1 | GPII Property - 314 Acre Tract | Second Amendment |
| Schedule 2 | GPII Property - 47 Acre Tract | Second Amendment |
| Schedule 3 | First Amendment to Second Amended and Restated Consent Agreement | Second Amendment |
| Schedule 4 | TCS Easement | Second Amendment |
| Schedule 5 | Description of Leander ETJ Tract | Third Amendment |
| Schedule 6 | Ultimate MUD Boundary Location Map | Replacement Fourth Amendment |
| Schedule 7 | Second Amendment to Second Amended and Restated Consent Agreement | Third Amendment |
| Schedule 8 | Description of Dufner Tract | Replacement Fourth Amendment |
| Schedule 9 | Third Amendment to Second Amended and Restated Consent Agreement | Replacement Fourth Amendment |

[Signature Pages to Follow]

**CITY OF GEORGETOWN, TEXAS**

By:_____
Printed Name: Josh Schroeder
Title: Mayor

ATTEST:

By:_____
Robyn Densmore, City Secretary

APPROVED AS TO FORM:

By:_____
Skye Masson, City Attorney

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the_____ day of _____ 2026, by Josh Schroeder, Mayor of the City of Georgetown, Texas, a home-rule city, on behalf of the City.

(seal)

_____
Notary Public State of Texas

**HM PARKSIDE, LP, a Texas limited partnership**

By: Hanna/Magee GP #1, Inc., a Texas corporation, its General Partner

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Blake J. Magee, President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HM PARKSIDE, LP, a Texas limited partnership, on behalf of said corporation and partnership.

(seal)

_____
Notary Public State of Texas

**HM PARKSIDE DEVELOPMENT, INC., a Texas corporation**

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Blake J. Magee, President of HM PARKSIDE DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(seal)

_____
Notary Public State of Texas

**HM GPII, LP, a Texas limited partnership**

By: Hanna/Magee GP #1, Inc., a Texas corporation, its General Partner

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Blake J. Magee, President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HM GPII, LP, a Texas limited partnership, on behalf of said corporation and partnership.

(seal)

_____
Notary Public State of Texas

**HM 2243 DEVELOPMENT INC., a Texas corporation**

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Blake J. Magee, President of HM 2243 DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(seal)

_____
Notary Public State of Texas

**HM GPII DEVELOPMENT, INC., a Texas corporation**

By: _____
Blake J. Magee, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Blake J. Magee, President of HM GPII DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(seal)

_____
Notary Public State of Texas

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**Second Reading - Repeal Local TABC Permit Fees**

SUGGESTED ACTION:
Second reading of an Ordinance to repeal local fees for alcoholic beverage permits in compliance with state law -- Leigh Wallace, Chief Financial Officer and Board of Health representative for Williamson County and Cities Health District

ITEM SUMMARY:
During the 89th State Legislative Session (2025), the state adopted Senate Bill 1008, which requires that a business cannot be charged more than one local permit fee for both food and alcohol. The City of Georgetown is a member of the Williamson County and Cities Health District. The District is the central local authority over food and beverage permits and regulations. Therefore, the City stopped collecting its own separate alcohol permit fee in FY2026. This ordinance codifies the change for the City.

FINANCIAL IMPACT:
This revenue averaged $4,000 annually in the General Fund.

SUBMITTED BY:
Shawn Gunnin, Finance/Purchasing

ATTACHMENTS:
TABC_Ordinance_Ch_6.40_Amendment.pdf

**ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, AMENDING CHAPTER 6.40, ALCOHOLIC BEVERAGES, OF THE CODE OF ORDINANCES TO DELETE SECTION 6.40.020 WHICH ESTABLISHED LOCAL FEES FOR ALCOHOLIC BEVERAGE PERMITS, TO COMPLY WITH STATE LAW; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City Charter grants the City Council of the City of Georgetown, Texas, the authority to adopt, amend, and repeal ordinances; and

**WHEREAS**, the Texas Legislature, during its 89th Regular Session, adopted Senate Bill 1008, which amends the Texas Health & Safety Code to limit municipal authority to impose certain fees or charges related to alcoholic beverage permits and licenses; and

**WHEREAS**, Section 6.40.020 of the City of Georgetown's Code of Ordinances establishes local fees related to alcoholic beverage permits or activities that, in some cases, are no longer authorized under state law; and

**WHEREAS**, the City Council finds it to be in the best interest of the public to repeal such provisions to ensure compliance with state law as set out herein.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:**

**Section 1.** The meeting at which this ordinance was approved was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 2.** The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 3.** Chapter 6.40 of the Code of Ordinances of the City of Georgetown, Texas, is hereby amended by deleting Section 6.40.020 in its entirety, which established local fees related to alcoholic beverage regulation.

**Section 4.** All ordinances or resolutions that conflict with the provisions of this ordinance are hereby repealed, and all other ordinances or resolutions of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 5.** If any provision of this ordinance, or application thereof, to any person or circumstance, shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance, which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are hereby declared to be severable.

**Section 6.** The Mayor is hereby authorized to sign this ordinance and the City Secretary to attest. This Ordinance shall become effective and be in full force and effect upon passing and approval of the second reading of this ordinance in accordance with the provisions of the City Charter of the City of Georgetown.

**PASSED AND APPROVED on First Reading on the _____of _____, 2026.**

**PASSED AND APPROVED on Second Reading on the _____ of _____, 2026.**

**CITY OF GEORGETOWN, TEXAS**

_____
Josh Schroeder, Mayor

**ATTEST:**

_____
Robyn Densmore, City Secretary

**APPROVED AS TO FORM:**

_____
Skye Masson, City Attorney

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**First Reading - 2026-2-REZ - 1112 University Ave**

SUGGESTED ACTION:
Public Hearing and First Reading of an Ordinance on a request for a Zoning Map Amendment to rezone 0.276 Acres, C. Sur, Stubblefield, from the Residential Single-Family (RS) zoning district to the Local Commercial (C-1) zoning district, for the property generally located at 1112 University Ave W, Georgetown, TX 78628 (2026-2-REZ) -- Anish D'Souza, Associate Planner

ITEM SUMMARY:
**Overview of Applicant's Request:**
The applicant is requesting a rezoning of approximately 0.276 acres located at 1112 W. University Avenue from the Residential Single-Family (RS) zoning district to the Local Commercial (C-1) zoning district. The property is currently developed with an existing office building and is located along the W. University Avenue (SH 29) corridor adjacent to existing commercial development.

**Staff's Analysis:**
Staff has reviewed the request in accordance with the Unified Development Code (UDC) and other applicable codes. Staff has determined that the proposed request meets the criteria established in UDC Section 3.06.030 for a Zoning Map Amendment - Rezoning, as outlined in the attached Staff Report.

**Public Comments:**
As required by the Unified Development Code (UDC), all property owners and registered neighborhood associations within 300-feet of the subject property were notified of the request (12 notices mailed), a legal notice advertising the public hearing was placed in the Sun Newspaper (05.03.2026) and signs were posted on-site. As of the publication date of this report, staff has received 0 written comments in favor and 0 in opposition of the request.

**Planning and Zoning Commission Recommendation:**
At their 05.19.2026 meeting, the Planning and Zoning Commission recommended approval (7-0) of the request.

FINANCIAL IMPACT:
None. The applicant has paid the required application fees.

SUBMITTED BY:
Hunter Gould, Planning Department

ATTACHMENTS:

2026-2-REZ CC Staff Presentation.pdf
2026-2-REZ CC Staff Report.pdf
Exhibit 1 - Location Map.pdf
Exhibit 2 - Future Land Use Map.pdf
Exhibit 3 - Zoning Map.pdf
Exhibit 4 - C-1 Design & Development Standards.pdf
Exhibit 5 - Letter of Intent.pdf
Exhibit 6 - Criteria Analysis.pdf
2026-2-REZ Ordinance with Exhibits.pdf

# 1112 University Avenue West 2026-2-REZ

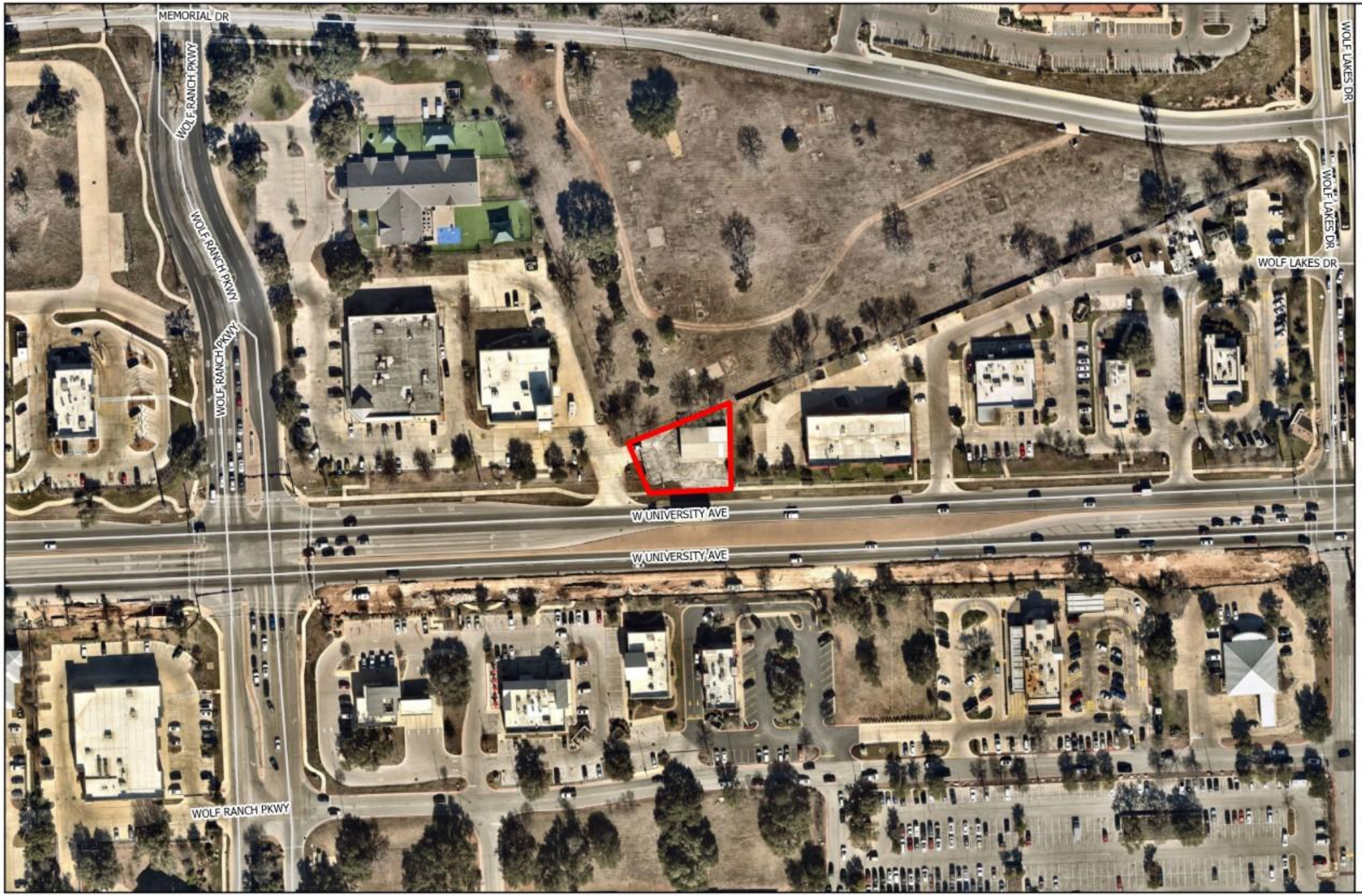
06.09.2026 | City Council

GEORGETOWN TEXAS

# Item Under Consideration

**2026-2-REZ**

- First Reading of an Ordinance on a request for a Zoning Map Amendment to rezone 0.276 Acres, C. Stubblefield Sur, from the Residential Single-Family (RS) zoning district to the Local Commercial (C-1) zoning district, for the property generally located at 1112 University Ave W, Georgetown, TX 78628 (2026-2-REZ). Anish D'Souza, Associate Planner




GEORGETOWN
TEXAS
*more than welcome*

# Aerial

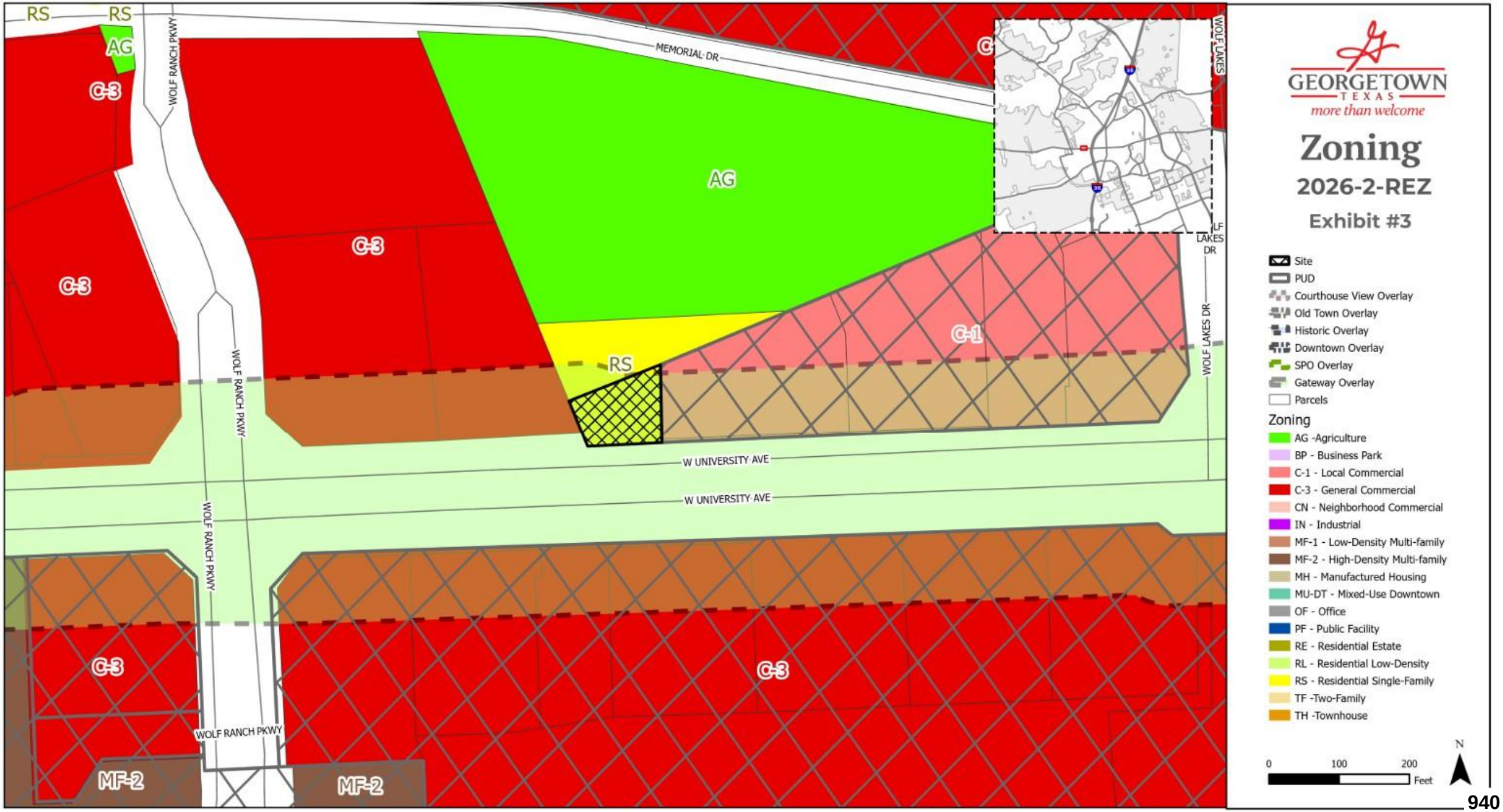
## 2026-2-REZ

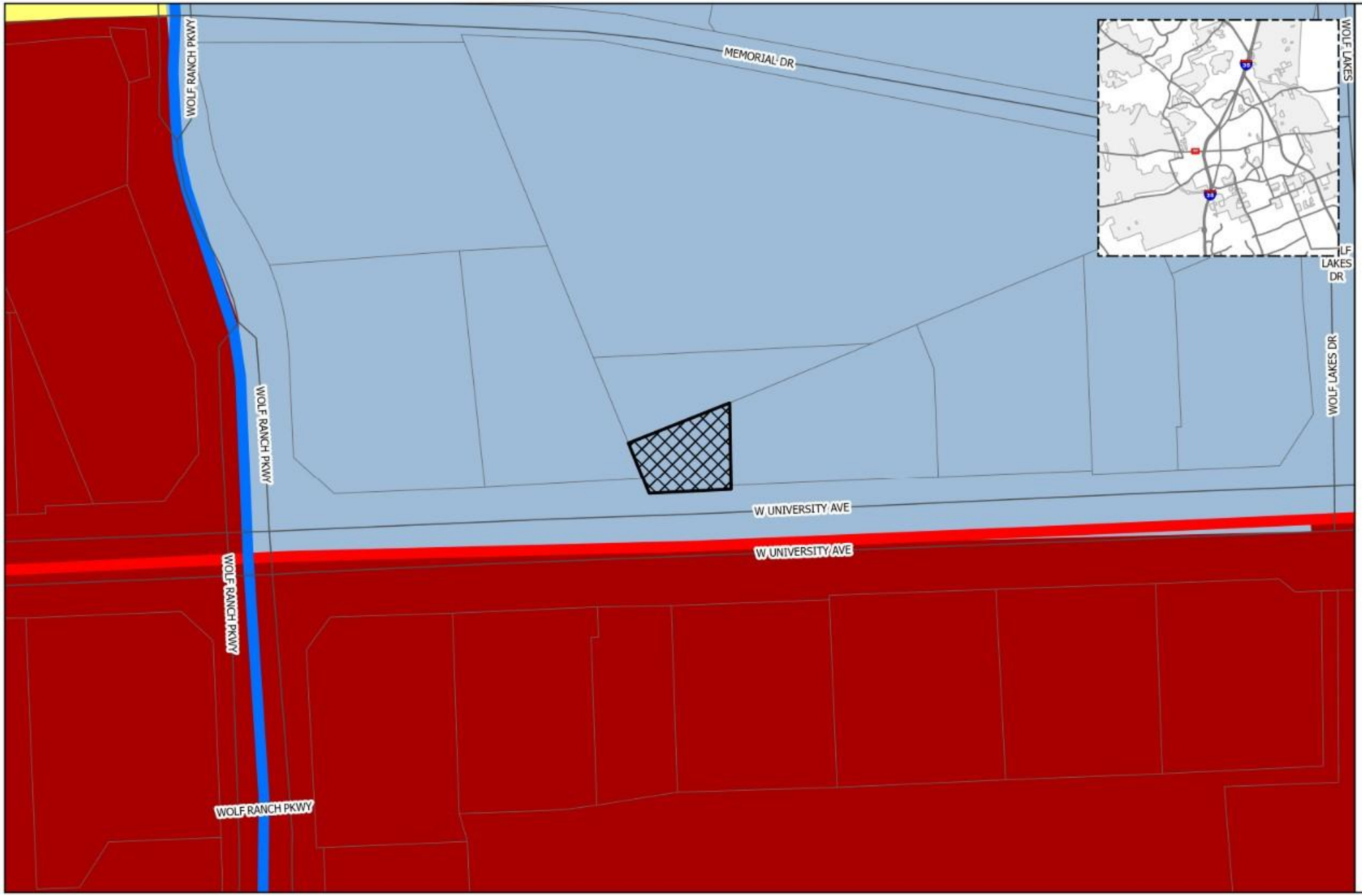
Site

N

0 100 200 Feet

FARMERS
INSURANCE


GEORGETOWN
TEXAS
more than welcome
Zoning
2026-2-REZ
Exhibit #3
Site
PUD
Courthouse View Overlay
Old Town Overlay
Historic Overlay
Downtown Overlay
SPO Overlay
Gateway Overlay
Parcels
Zoning
AG -Agriculture
BP - Business Park
C-1 - Local Commercial
C-3 - General Commercial
CN - Neighborhood Commercial
IN - Industrial
MF-1 - Low-Density Multi-family
MF-2 - High-Density Multi-family
MH - Manufactured Housing
MU-DT - Mixed-Use Downtown
OF - Office
PF - Public Facility
RE - Residential Estate
RL - Residential Low-Density
RS - Residential Single-Family
TF -Two-Family
TH -Townhouse
0
100
200
Feet
N
MEMORIAL DR
WOLF RANCH PKWY
W UNIVERSITY AVE
WOLF LAKES DR
RS
AG
C-3
C-1
MF-2




GEORGETOWN
TEXAS
*more than welcome*

# Future Land Use/ Future Mobility Plan

## 2026-2-REZ

## Exhibit #2

- Site
- Parcels

**Future Land Use**

- Community Center
- Employment Center
- Institutional
- Mining
- Mixed Density Neighborhood
- Neighborhood
- Open Space
- Parks and Recreation
- Regional Center
- Rural Residential
- Special Area

**Thoroughfare**

- Existing Freeway
- Existing Major Arterial
- Existing Minor Arterial
- Existing Collector
- Proposed Freeway
- Proposed Major Arterial
- Proposed Minor Arterial
- Proposed Collector
- Proposed Rail

0 100 200 Feet

N

# Special Area (SA)

- Unique Destinations that emphasize retail, office, and entertainment uses
- Emphasis on building design, landscaping, public spaces
- Pedestrian oriented places that often include shopping streets, shared parking, and strong links to surrounding areas

- **DUA:** ⩾ 14 units or greater
- **Target Ratio:** Development Specific
- **Primary Use:** Mixed-use (high-density residential and retail)
- **Secondary Uses:** Medium-density residential, office, commercial, recreational, and civic uses

# Scenic Gateway Overlay

**Scenic Corridor Intent**

- Preserve corridor appearance and natural character
- Encourage enhanced landscaping and setbacks
- Minimize visual clutter and excessive lighting
- Promote coordinated corridor development

**Subject Property Context**

- Property is located within an existing commercial corridor along SH 29
- Surrounding area is developed with commercial, retail, office, and multifamily uses
- Requested C-1 zoning is consistent with surrounding development pattern and Special Area FLUM designation
- Future redevelopment would remain subject to Gateway Overlay standards

# Current - Residential Single-Family (RS)

- Medium density
- Primarily single-family neighborhoods
- May be located in proximity of neighborhood-friendly commercial
- Protected from incompatible uses

**Dimensional Standards**

- Min. lot size = 5,500 sq. ft.
- Min. lot width = 45’
- Max building height = 35’
- Front setback = 20’
- Side setback = 6’
- Rear setback = 10’
- Side/rear street setback = 15’
- Street facing garage setback = 25’

# Proposed - Local Commercial (C-1)

- Commercial and retail serving residential areas
- Pedestrian access to adjacent residential areas
- Not appropriate along residential streets or residential collectors

**Dimensional Standards**

- Min. lot width = 50’
- Max building height = 35’
- Front setback = 25’
- Side setback = 10’
- Rear setback = 0’
- Side setback to residential = 15’
- Rear setback to residential = 25’
- 15’ bufferyard adjacent to RS
- FAR = 0.5

# Approval Criteria – UDC Section 3.06.030

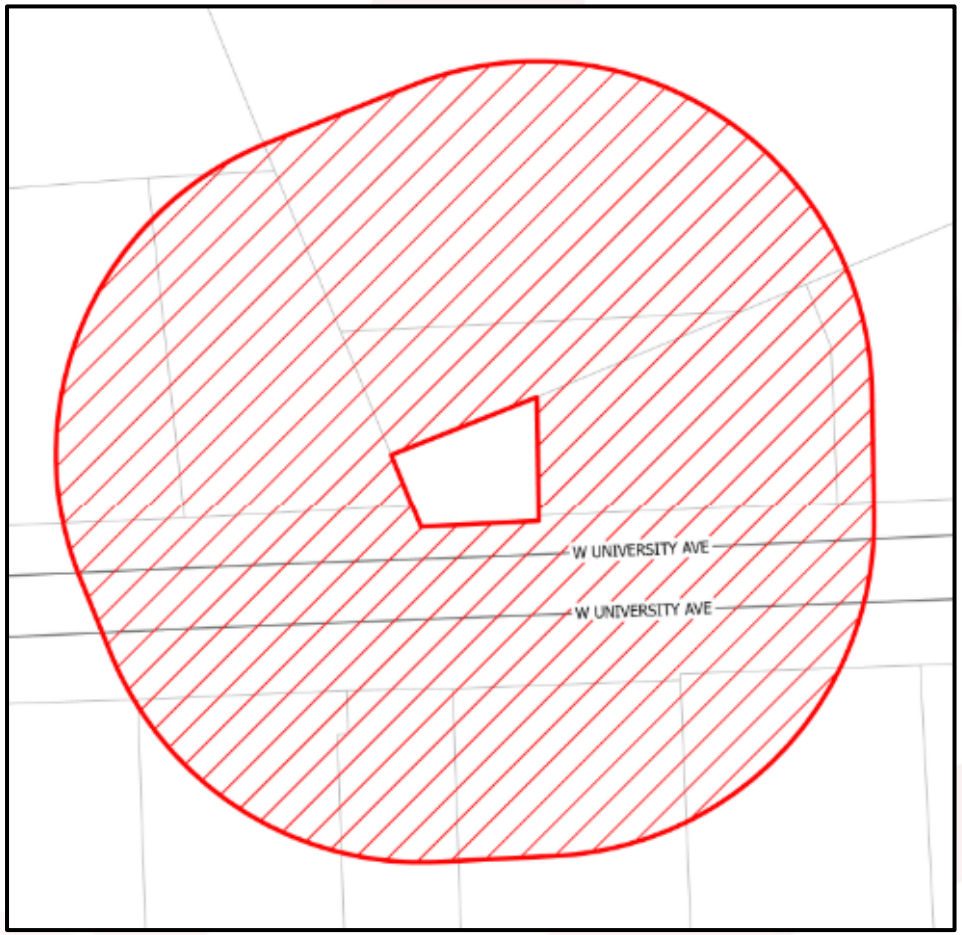
| Criteria for Rezoning | Complies | Partially Complies | Does Not Comply |
|---|---|---|---|
| The application is complete and the information contained within the application is sufficient and correct enough to allow adequate review and final action; | X | | |
| The zoning change is consistent with the Comprehensive Plan; | X | | |
| The zoning change promotes the health, safety or general welfare of the City and the safe orderly, and healthful development of the City; | X | | |

# Approval Criteria – UDC Section 3.06.030

| Criteria for Rezoning | Complies | Partially Complies | Does Not Comply |
|---|---|---|---|
| The zoning change is compatible with the present zoning and conforming uses of nearby property and with the character of the neighborhood; and | X | | |
| The property to be rezoned is suitable for uses permitted by the district that would be applied by the proposed amendment. | X | | |

# Public Notifications

- 12 property owners within the 300' buffer
- Notice in Sun News on 05.03.2026
- Signs posted on the property
- To date, staff has received:
  - 0 written comments IN FAVOR
  - 0 written comments OPPOSED



# Planning & Zoning Commission Action

- At their 05.19.2026 meeting, the Planning & Zoning Commission recommended APPROVAL of the request (7-0).

# Summary

- First Reading of an Ordinance on a request for a Zoning Map Amendment to rezone 0.276 Acres, C. Stubblefield Sur, from the Residential Single-Family (RS) zoning district to the Local Commercial (C-1) zoning district, for the property generally located at 1112 University Ave W, Georgetown, TX 78628 (2026-2-REZ). Anish D'Souza, Associate Planner

# First Reading of an Ordinance

- AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, AMENDING PART OF THE OFFICIAL ZONING MAP TO REZONE 0.276 ACRES IN THE C. STUBBLEFIELD SURVEY, GENERALLY LOCATED AT 1112 UNIVERSITY AVE W, FROM RESIDENTIAL SINGLE-FAMILY (RS) TO LOCAL COMMERCIAL (C-1); REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

# Planning Department Staff Report

**Report Date:** 05.19.2026
**Case Number:** 2026-2-REZ

## AGENDA ITEM DESCRIPTION

Public Hearing and possible action on a request for a Zoning Map Amendment to rezone 0.276 Acres in the C. Stubblefield Survey, Abstract No. 558, from the Residential Single-Family (RS) zoning district to the Local Commercial (C-1) zoning district, for the property generally located at 1112 University Avenue West, Georgetown, TX 78628 (2026-2-REZ). Anish D'Souza, Associate Planner

## AGENDA ITEM DETAILS

| | |
|---|---|
| **Project Name:** | Briggs Building Rezoning |
| **Applicant:** | Jim Briggs |
| **Property Owner:** | Briggs, James H & Janna G |
| **Property Address:** | 1112 University Ave W |
| **Legal Description:** | 0.276 Acres in the C. Stubblefield Survey, Abstract No. 558 |
| **Current Zoning:** | Residential Single-Family (RS) |
| **Current Use:** | General Office (Insurance & Financial Services) |

## APPLICANT'S REQUEST

The applicant is requesting a rezoning of approximately 0.276 acres located at 1112 W. University Avenue from the Residential Single-Family (RS) zoning district to the Local Commercial (C-1) zoning district. The property is currently developed with an existing office building and is located along the W. University Avenue (SH 29) corridor adjacent to existing commercial development.

## RECOMMENDATION

**Staff <u>recommends APPROVAL</u> of the request.**

## PROPERTY CONTEXT

**Neighborhood Character:**

The subject property is located along the W. University Avenue (SH 29) corridor within an area characterized by a mix of commercial, retail, office, and civic uses. The surrounding area includes large-scale commercial development associated with the Wolf Ranch development, including retail, restaurant, office, and multifamily uses. The property directly north of the site is zoned Agriculture (AG) and Residential Single-Family (RS) and is currently utilized as a cemetery. The SH 29 corridor functions as a major commercial area within the City.

**Zoning Trends:**
The subject property is surrounded by a range of commercial zoning districts, including a Planned Unit Development (PUD) to the east with a Local Commercial (C-1) base zoning, and General Commercial (C-3) zoning to the west and south. Existing development patterns along the W. University Avenue corridor reflect a continued trend toward commercial and mixed-use development consistent with the Special Area designation found in the Future Land Use Map for Wolf Lakes. The requested C-1 zoning would provide a transition in intensity between the existing commercial corridor and surrounding properties while remaining consistent with the established development pattern in the area.

**Present Property Description:**
The subject property consists of approximately 0.72 acres and is currently developed with an existing office building (Farmers Insurance) and associated parking area. The property is located along W. University Avenue (SH 29), a principal commercial corridor within the City, and is surrounded by a mix of commercial, retail, office, multifamily, and civic land uses. Existing utility and transportation infrastructure currently serve the site.

## STAFF ANALYSIS

The subject property has an existing Future Land Use designation of Special Area (SA). The Special Area designation is intended to accommodate integrated mixed-use development with an emphasis on retail, office, commercial, recreational, and civic uses within strategically planned activity centers. The requested Local Commercial (C-1) zoning district is consistent with the Future Land Use designation and existing development pattern along the W. University Avenue (SH 29) corridor.

The subject property is surrounded by a mix of commercial, retail, multifamily, and civic land uses, including existing C-1 zoning as part of the PUD to the east and C-3 zoning to the west and south. The property located north of the site is currently zoned Agriculture (AG) and Residential Single-Family (RS) and is utilized as a cemetery. The proposed C-1 zoning district is compatible with the surrounding zoning pattern and existing character of development in the area.

The proposed rezoning request was reviewed by all applicable City departments to determine the appropriateness of the requested zoning district on the subject property. No objections to the rezoning request were identified during departmental review.

Staff reviewed the proposed rezoning request and found it complies with all approval criteria established in UDC Section 3.06.030 for a Zoning Map Amendment, as outlined in Exhibit 6.

## PUBLIC NOTIFICATION

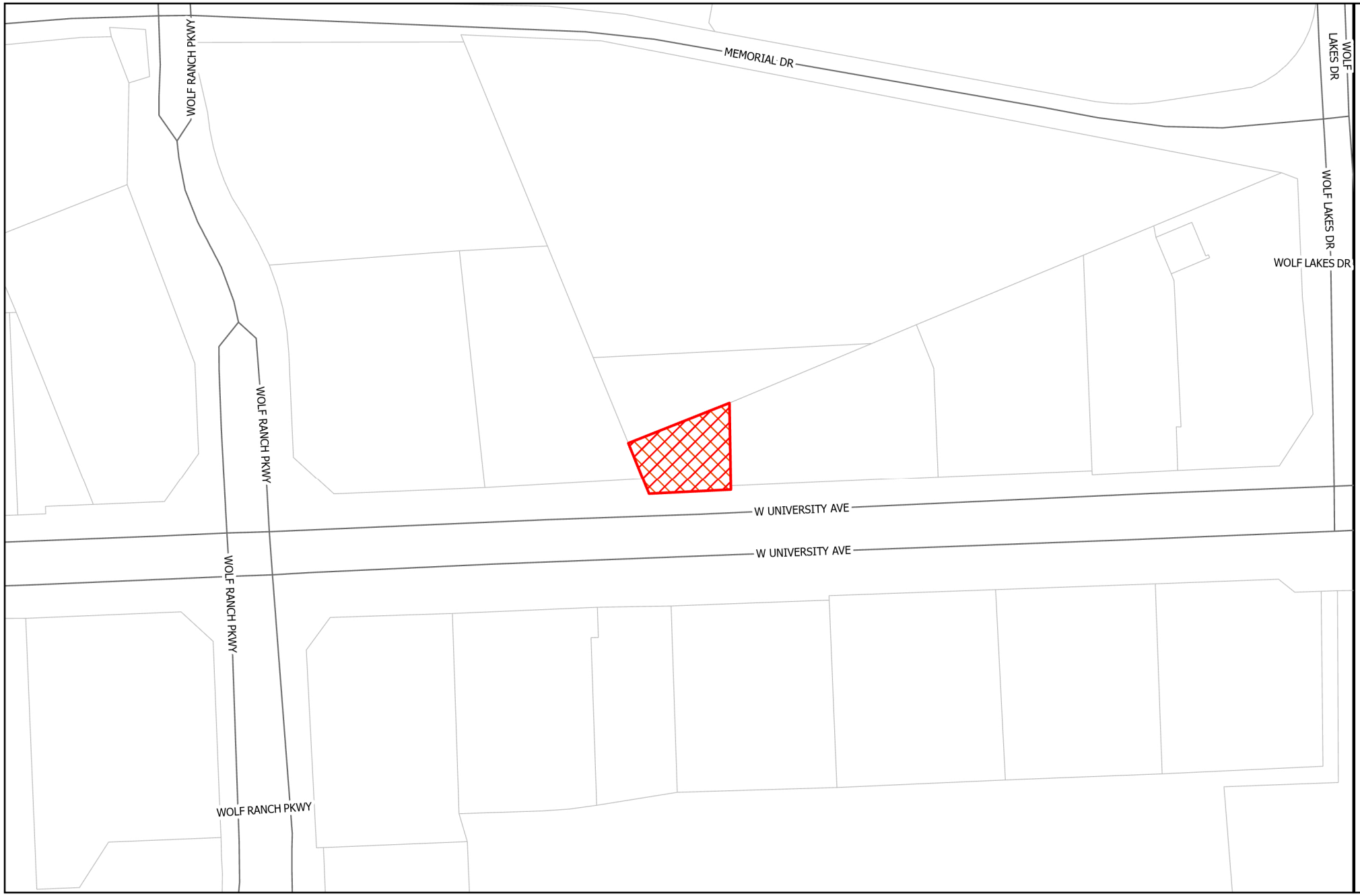
As required by the Unified Development Code, all property owners and registered neighborhood associations within a 300-foot radius of the subject property were notified of the annexation and initial zoning request (12 notices), a legal notice advertising the public hearing was placed in the Sun Newspaper (May 3, 2026) and signs were posted on-site. To date, staff has received 0 written comment in favor, and 0 in opposition to the request.

## ATTACHMENTS

Exhibit 1 – Location Map
Exhibit 2 – Future Land Use Map
Exhibit 3 – Zoning Map
Exhibit 4 – Design and development standards of the Local Commercial Zoning District
Exhibit 5 – Letter of Intent
Exhibit 6 – Criteria Analysis

## SUBMITTED BY

*Anish D'Souza, Associate Planner*




GEORGETOWN
TEXAS
*more than welcome*

# Location

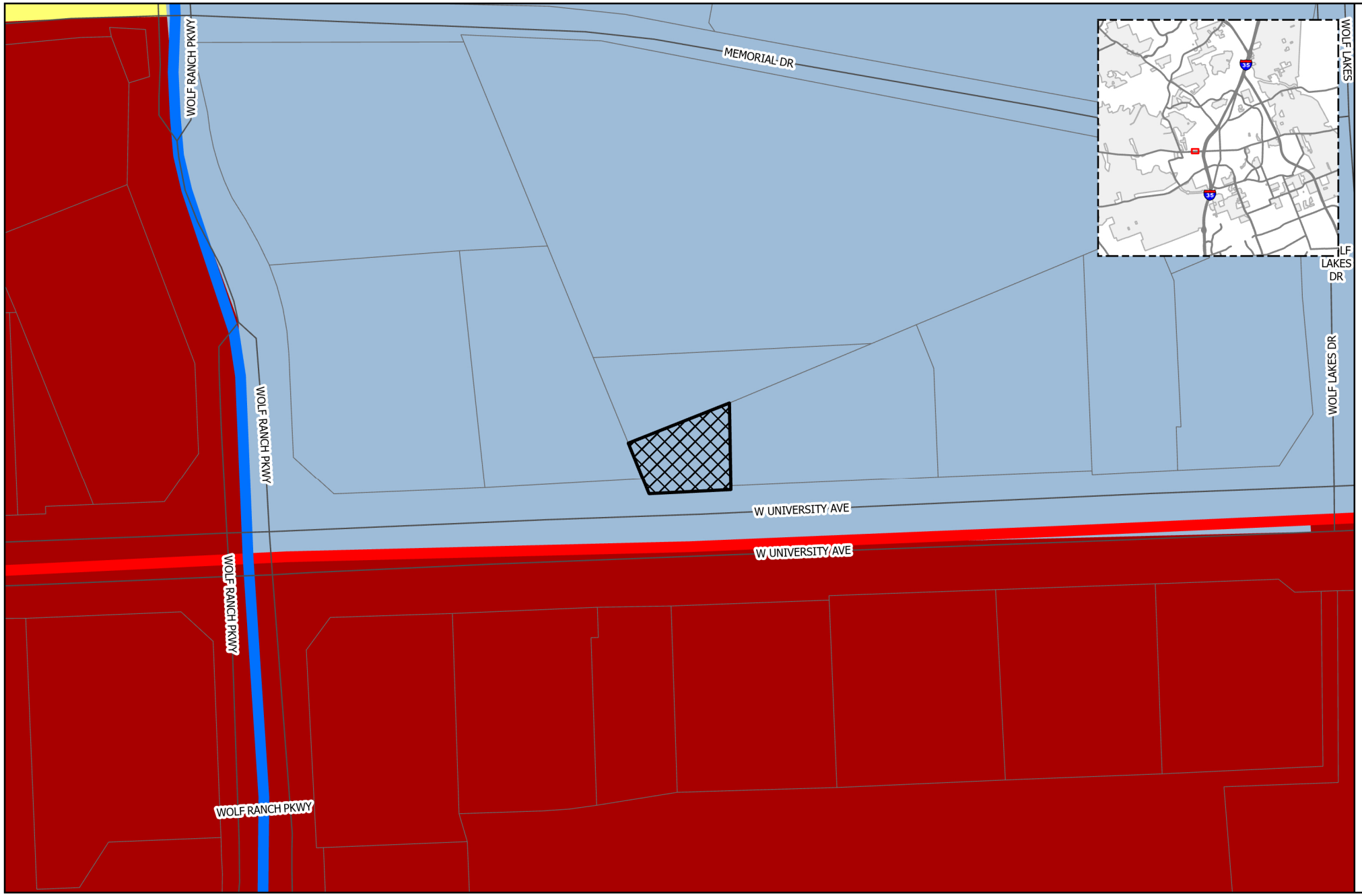
## 2026-2-REZ

### Exhibit #1

Site
Parcels

N

0 100 200 Feet




GEORGETOWN
TEXAS
*more than welcome*

# Future Land Use/ Future Mobility Plan

## 2026-2-REZ

## Exhibit #2

- Site
- Parcels

**Future Land Use**

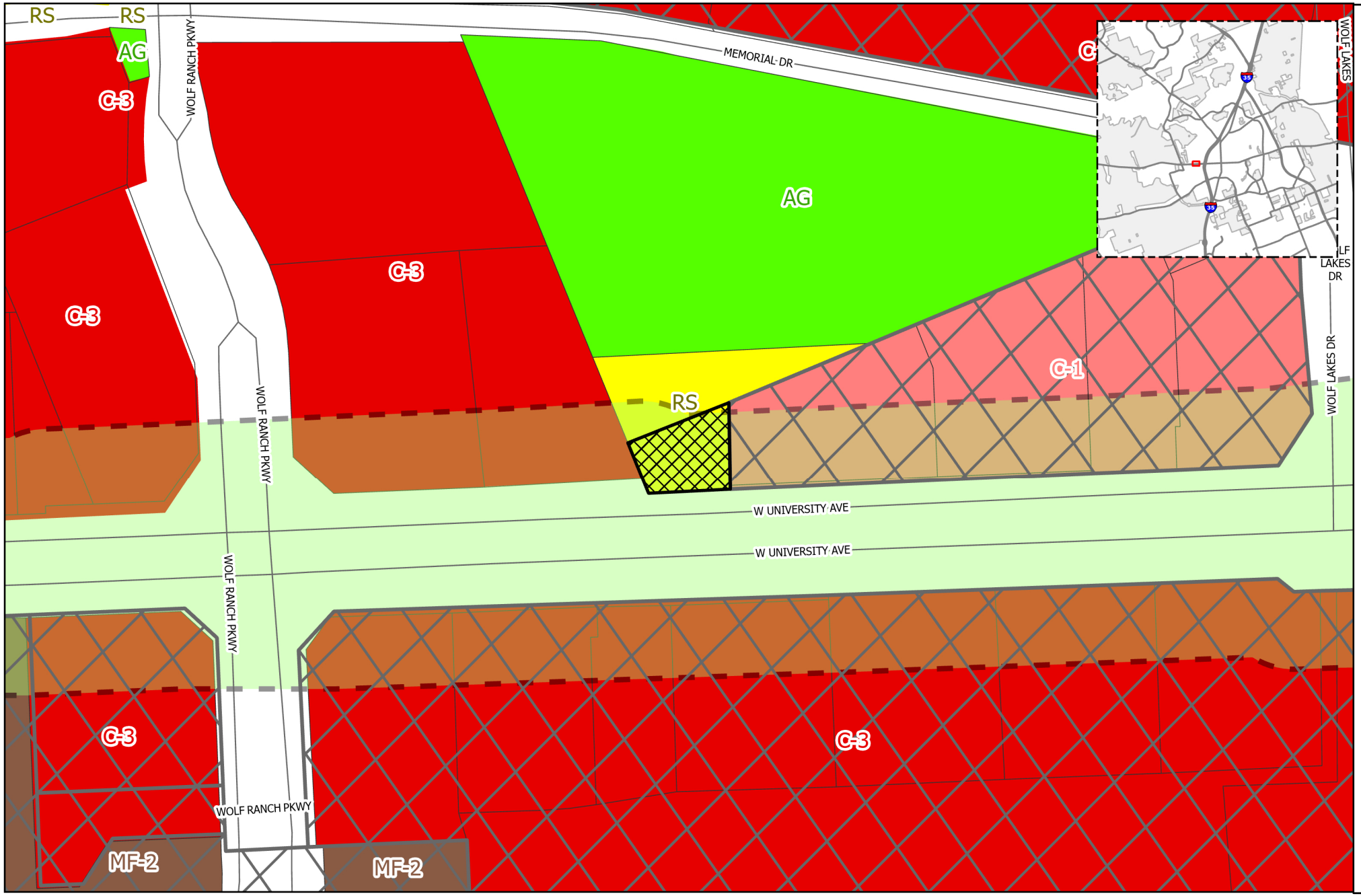
- Community Center
- Employment Center
- Institutional
- Mining
- Mixed Density Neighborhood
- Neighborhood
- Open Space
- Parks and Recreation
- Regional Center
- Rural Residential
- Special Area

**Thoroughfare**

- Existing Freeway
- Existing Major Arterial
- Existing Minor Arterial
- Existing Collector
- Proposed Freeway
- Proposed Major Arterial
- Proposed Minor Arterial
- Proposed Collector
- Proposed Rail

0 100 200 Feet

N




GEORGETOWN TEXAS
*more than welcome*

# Zoning

## 2026-2-REZ

### Exhibit #3

- Site
- PUD
- Courthouse View Overlay
- Old Town Overlay
- Historic Overlay
- Downtown Overlay
- SPO Overlay
- Gateway Overlay
- Parcels

**Zoning**

- AG -Agriculture
- BP - Business Park
- C-1 - Local Commercial
- C-3 - General Commercial
- CN - Neighborhood Commercial
- IN - Industrial
- MF-1 - Low-Density Multi-family
- MF-2 - High-Density Multi-family
- MH - Manufactured Housing
- MU-DT - Mixed-Use Downtown
- OF - Office
- PF - Public Facility
- RE - Residential Estate
- RL - Residential Low-Density
- RS - Residential Single-Family
- TF -Two-Family
- TH -Townhouse

0 100 200 Feet

N

# C-1 Local Commercial

| Residential Uses | Sec. 5.02.010 |
|---|---|
| Permitted by Right | Group Home (7 residents or more), Assisted Living, Nursing or Convalescent Home, Hospice Facility, Rooming or Boarding House |
| Permitted with Limitations | Upper-story Residential, Home-Based Business |
| Special Use Permit Required | Multifamily, Attached Dwelling Units, Student Housing |

| Civic Uses | Sec. 5.03.010 |
|---|---|
| Permitted by Right | Emergency Services Station, Government or Postal Office, Library or Museum, Social Service Facility, Hospital, Blood or Plasma Center, Nature Preserve or Community Garden |
| Permitted with Limitations | School (Elementary, Middle, High, College/University, Business or Trade), Day Care (Group & Commercial), Activity Center (Youth or Senior), Community Center, Religious Assembly Facilities (Inc. with Columbaria), Neighborhood Amenity, Activity, or Recreation Center, Public Park (Neighborhood, Regional) |

| Commercial Uses | Sec. 5.04.010 |
|---|---|
| Permitted by Right | Inn, Hotel (Full service, Limited service, Boutique) |
| Permitted with Limitations | Bed and Breakfast (Inc. with Events), Restaurant (General, Drive-through), Bar, Tavern or Pub, Micro-Brewery, Micro Winery, or Micro Distillery, Food Catering Services, Live Music or Entertainment, Dance Hall or Nightclub, Theater (Movie or Live), Membership Club or Lodge, Commercial Recreation, Home Health Care Services, Medical or Dental (Office, Clinic), Urgent Care Facility, General Office, Integrated Office Center, General Retail, Agricultural Sales, Landscape Supply Sales/Garden Center, Farmers Market, Artisan Studio and Gallery, Personal Services, Dry Cleaning Service, Drop-off Only, Laundromat, Printing, Mailing and Reproduction Services Fitness Center, Banking and Financial Services, Consumer Repair, Funeral Home, Veterinary Clinic (Indoor Pens Only), Pest Control or Janitorial Services |
| Special Use Permit Required | Permanent Mobile or Outdoor Food Vendor, Event Facility, Personal Services, Restricted, Self-Storage (Indoor), Automobile Parts and Accessories Sales (Indoor), Fuel Sales, Car Wash |

| Transportation & Utility Uses | Sec. 5.05.010 |
|---|---|
| Permitted by Right | Parking Lot (Off-Site, Commercial), Park-n-Ride Facility, Utility Services (Minor, Intermediate, Major) |
| Permitted with Limitations | Wireless Transmission Facility (40' or less) |
| Special Use Permit Required | Private Transport Service Dispatch Facility |

| Agriculture Uses | Sec. 5.07.010 |
|---|---|
| Special Use Permit Required | Meat Market |

| Temporary Uses | Sec. 5.08.010 |
|---|---|
| Permitted with Limitations | Concrete Products, Construction Field Office, Construction Staging (Off-site), Parking lot, Portable Classrooms, Seasonal Product Sales, Farmers Market, Temporary or Transient Mobile/Outdoor Food Vendor, Business Offices |

| Outdoor Display & Storage | Sec. 5.09.020 |
|---|---|
| Permitted | Outdoor Display (Limited) |

***Dimensional Standards on the back**

The full UDC document can be found online at udc.georgetown.org. More information on all uses and any applicable limitations can be found in UDC Chapter 5. Definitions of all uses can be found in UDC Chapter 16.

planning@georgetown.org | (512) 930-3575

# C-1 Local Commercial

| **Dimensional Standards:** Sec. 7.02.02 | **Feet** |
|---|---|
| Minimum Lot Width | 50 |
| Minimum Lot Size | - |
| Front/street setback | 25 |
| Side Setback | 10 |
| Side setback to residential or an existing SF home in the ETJ that is platted or planned for residential use on the FLU Map | 15 |
| Rear Setback | 0 |
| Rear Setback to residential or an existing SF home in the ETJ that is platted or planned for residential use on the FLU Map | 25 |
| Maximum Building Height | 35 |
| Maximum Impervious Cover - Sec. 11.02 | - |
| Dimensional Interpretations and Exceptions – Sec. 7.02.030 | - |
| Bufferyard: UDC Sec. 8.04.06<br>a) Medium level – 15 ft wide planting area; One shade tree, two evergreen ornamental trees and eight evergreen shrubs per each 50 linear feet | - |
| Landscaping: UDC Sec. 8.01 | - |
| Tree Preservation and Protection – Sec. 8.02. | - |

**April 8, 2026**

Anish D'Souza
Associate Planner
City of Georgetown | Planning Department
809 Martin Luther King Jr. St.
Georgetown Texas, 78628

Georgetown Planning and Development;

Per your request, this letter should serve as our "Letter of Intent" to re-zone property at 1112 W. University Ave. Georgetown Texas, 78628.

James H. and Janna G. Briggs are the legal owners of the property. The property was purchased in 2006 from James and Patricia Ropollo for the purpose of housing a family business in the insurance industry. The intent of the ownership was to house the family business until the business was ever sold or transferred to new ownership. Currently that ownership has transferred to our son and continues to be a family business. Unfortunately, recent events, not of the owner's creation, created the need for the family business to seek a new and alternative location. With the vacation of the building the need to either sell or lease the building has become necessary. As a result of that process, the lease option seems to be the most applicable to the property. The building/office currently is zoned RS non-conforming. The same status as when the City of Georgetown annexed the property initially. The use of the building since that time has remained "office" use and the intent was to never change that use under Briggs ownership. Again, unfortunately, conditions changed by external factors imposed on the property.

Now that the status has changed, there is a need to bring the property into more consistent status with other neighboring properties. Since office use is quite limited, broader uses such as retail should be considered for the property. Especially since the neighboring properties are zoned C-1 and C-3 along the University Avenue corridor. Current zoning of this property just does not fit the current or long-term land use of the area.

Planning has asked that we detail specific information in this "Letter of Intent" to clarify similar information that is also included, per the requirements of the application process. The following is that information in bullet point form.

- Existing and proposed zoning districts:

  *Currently the area is zoned C-1 Local Commercial to the East of this tract and C-3 General Commercial to the West and South of the tract*

- Future Land Use Designation:

  *Future Land Use map calls for "Special Area"*

- Acreage of property to be rezoned:

  *0.276 Acres*

- Explanation of how the proposal complies with the 2030 Comprehensive Plan. Cite the goals and policies of the 2030 Plan that will be met by the proposal:

  *Based on the documentation for this area under the 2030 Comprehensive Plan the expanded use of this tract to a Commercial Zoning category meets the expectations of employment, service and retail objectives.*

- Explanation of how roads and utilities will serve the property:

  *The property is currently served by Fire Flows that meet the Commercial Land Use current and proposed. Water/Wastewater Service meets the needs of office/retail demands. Electric Service meets and exceeds energy demand of the tract and Stormwater treatment is currently provided at Wolf Ranch Shopping Center for the current impervious cover limitations of the existing site.*

  *The Transportation network serves the current and future zoning of the site consistently with neighboring development.*

- If existing structures or features of property will be utilized, provide a Conceptual Site Layout exemplifying how the structures will meet all applicable development standards of the proposed zoning district:

  *The intent is that current approved structures and paving is be used to meet the requirements of new zoning. Current visual layouts have been provided and can be referenced as existing and future layouts. Any change, or modification to that status, would be subject to site plan and building plan review, as with any other normal permit process, for types of changes.*

- Explanation as to how the request meets the approval criteria outlined in UDC Section 3.06.030 (Rezoning):

  *For years this property has existed in a zoning category that was inconsistent with the uses that developed around this property. This zoning category still met the needs of the owners and their business. Twenty years later there is a need to change the zoning category to consistency with the Comprehensive Plan and developed tracts that border the property. This zoning request is not inconsistent with those plans or development. The owners are not looking to subdivide, redevelop the site or make substantial changes that would be major visual or regulatory change to the tract. Simple changes of internal layouts inside the building, signage or changes that make the property consistent with retail type uses could be expected. Those would follow the standard approval process for those changes but can only be approved with proper zoning that allows for such uses. Uses that would be consistent with current and future land uses deemed desirable by the community.*

The owners of this property have always worked to ensure the property was consistent with the values of the community. When purchased, we modified the site to include "articulation" and paving to upgrade the property and make it consistent with "corridor" plans at the time. Prior to our ownership, the property was more rural in its condition. Originally there was a driveway for direct access to University Avenue to the site. A right that was legally grandfathered to the site without need to change. This was voluntarily removed and allowed for joint driveway access in 2008 as a part of a planning process to allow for construction of Walgreens. We were not required to agree but decided that development of the Wolf Ranch Parkway and University corner was important to the community and tax base of the City. I think time has proven that this was an effective and accepted development by community. With this proposed change to zoning, we again are attempting to maintain our status of working to offer land use that is consistent with Georgetown's community values.

Sincerely,

James H. (Jim) Briggs

Janna G. Briggs

**April 13, 2026**

Anish D'Souza
Associate Planner
City of Georgetown | Planning Department
809 Martin Luther King Jr. St.
Georgetown Texas, 78628

Georgetown Planning and Development;

Per your request, this letter should serve as clarification of the actual zoning category request to change the property at 1112 W. University Ave. Georgetown Texas, 78628 from RS non-conforming to **C1 Local Commercial**. This zoning is consistent with the zoning adjacent to this property to the East.

Thanks for the opportunity to clarify this information.

Sincerely,

James H. (Jim) Briggs

Janna G. Briggs

Janna G. Briggs

# Exhibit 6
## UDC Approval Criteria Review

| ZONING MAP AMENDMENT (REZONING) APPROVAL CRITERIA | |
|---|---|
| **1. The application is complete and the information contained within the application is sufficient and correct enough to allow adequate review and final action.** | **Complies** |
| This application was reviewed by staff and deemed to be complete. | |
| **2. The zoning change is consistent with the Comprehensive Plan.** | **Complies** |
| The subject property has a Future Land Use designation of Special Area (SA). The Special Area designation is intended to accommodate integrated mixed-use development with an emphasis on retail, office, commercial, recreational, and civic uses within strategically planned activity centers. The requested Local Commercial (C-1) zoning district is consistent with the Special Area designation and the existing commercial development pattern along the W. University Avenue (SH 29) corridor. The subject property is also located within the Gateway Overlay District, which is intended to promote enhanced corridor design and development standards along major entry corridors within the City. | |

| | |
|---|---|
| **3. The zoning change promotes the health, safety or general welfare of the City and the safe orderly, and healthful development of the City.** | **Complies** |
| The proposed rezoning would allow the subject property to develop in a manner consistent with the surrounding commercial corridor and existing land use pattern along W. University Avenue (SH 29). The property has historically operated as an office use and is currently served by existing roadway and utility infrastructure. The requested C-1 zoning district promotes orderly development by aligning the property's zoning designation with the character and intensity of surrounding development while allowing future reuse of the existing site under an appropriate commercial zoning classification. | |
| **4. The zoning change is compatible with the present zoning and conforming uses of nearby property and with the character of the neighborhood.** | **Complies** |
| The subject property is surrounded by a mix of commercial, retail, office, multifamily, and civic land uses. Adjacent properties include Local Commercial (C-1) zoning to the east and General Commercial (C-3) zoning to the west and south. Property located north of the site is currently zoned Agriculture (AG) and Residential Single-Family (RS) and is utilized as a cemetery. The requested C-1 zoning district is compatible with the existing zoning pattern and the established commercial character of the W. University Avenue corridor. | |
| **5. The property to be rezoned is suitable for uses permitted by the District that would be applied by the proposed amendment.** | **Complies** |
| The subject property is currently developed with an existing office building and associated parking area and is served by existing roadway and utility infrastructure. The site does not contain any known physical constraints that would inhibit development permitted within the C-1 zoning district. Staff finds the property is suitable for the uses permitted within the proposed zoning district. | |

**ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, AMENDING PART OF THE OFFICIAL ZONING MAP TO REZONE 0.276 ACRES IN THE C. STUBBLEFIELD SURVEY, GENERALLY LOCATED AT 1112 UNIVERSITY AVE W, FROM RESIDENTIAL SINGLE-FAMILY (RS) TO LOCAL COMMERCIAL (C-1); REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, an application has been made to the City for the purpose of amending the Official Zoning Map, adopted on the 12th day of June, 2012, for the specific Zoning District classification of the following described real property ("The Property"):

0.276 Acres out of the CLEMENT STUBBLEFIELD SURVEY, Abstract No. 558, in Williamson County, Texas, generally located at 1112 University Ave W, as recorded in Document Number 2022123026 of the Official Public Records of Williamson County, Texas, hereinafter referred to as "The Property"; and

**WHEREAS**, public notice of such hearing was accomplished in accordance with State Law and the City's Unified Development Code through newspaper publication, signs posted on the Property, and mailed notice to nearby property owners; and

**WHEREAS**, the Planning and Zoning Commission, at a meeting on 05.19.2026, held the required public hearing and submitted a recommendation of approval to the City Council for the requested rezoning of the Property; and

**WHEREAS**, the City Council, at a meeting on 06.23.2026, held an additional public hearing prior to taking action on the requested rezoning of the Property.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:**

**Section 1.** The meeting at which this ordinance was approved was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 2.** The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 3.** The City Council hereby finds that this Ordinance implements the vision, goals, and policies of the Georgetown 2030 Comprehensive Plan and further finds that the enactment of

this Ordinance is not inconsistent or in conflict with any other policies or provisions of the 2030 Comprehensive Plan and the City's Unified Development Code.

**Section 4.** The Official Zoning Map, as well as the Zoning District classification for the Property is hereby amended from the Residential Single-Family (RS) district to the Local Commercial (C-1) district, in accordance with the attached ***Exhibit A*** (Location Map) and ***Exhibit B*** (Legal Description) and incorporated herein by reference.

**Section 5.** All ordinances or resolutions that conflict with the provisions of this ordinance are hereby repealed, and all other ordinances or resolutions of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 6.** If any provision of this ordinance, or application thereof, to any person or circumstance, shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance, which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are hereby declared to be severable.

**Section 7.** The Mayor is hereby authorized to sign this ordinance and the City Secretary to attest. This Ordinance shall become effective and be in full force and effect immediately in accordance with the provisions of the City Charter of the City of Georgetown.

**PASSED AND APPROVED on First Reading on the _____of _____, 2026.**

**PASSED AND APPROVED on Second Reading on the _____ of _____, 2026.**

**CITY OF GEORGETOWN, TEXAS**

_____
Josh Schroeder, Mayor

**ATTEST:**

_____
Robyn Densmore, City Secretary

**APPROVED AS TO FORM:**

_____
Skye Masson, City Attorney

**EXHIBIT A**

MEMORIAL DR
WOLF RANCH PKWY
WOLF LAKES DR
W UNIVERSITY AVE
GEORGETOWN
TEXAS
more than welcome
Location
2026-2-REZ
Exhibit #1
Site
Parcels
N
0
100
200
Feet

**EXHIBIT B**

0.33 of an acre of land, more or less, out of the CLEMENT STUBBLEFIELD SURVEY, Abstract No. 558, in Williamson County, Texas, being the same property as described in Deed to A-Tex Waterproofing, Inc., recorded in Vol. 1160, Pg. 809, Official Records, Williamson County, Texas, SAVE AND EXCEPT 0.054 of an acre of land as described in Possession and Use Agreement for Transportation Purposes recorded under Doc. No. 2005002364, Official Public Records, Williamson County, Texas, and being more fully described by metes and bounds in Exhibit A attached to said Deed which is incorporated by reference herein and made a part hereof for all purposes; and being the same property described in a Deed dated December 8, 2006 from A-Tex Waterproofing Inc. to Jim Briggs and Janna Briggs, of record under Doc. No. 2006078763, Official Public Records, Williamson County, Texas.

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**First Reading - Amending Section 3.01.220 of the City Code regarding Overtime Pay Exceptions for Eligible Non-exempt Employees**

SUGGESTED ACTION:
First Reading of an ordinance to amend Section 3.01.220 of the Code of Ordinances of the City of Georgetown relating to overtime exceptions for eligible non-exempt employees -- Wayne Nero, Assistant City Manager

ITEM SUMMARY:
As the City is experiencing rapid growth, staff recommends amending the City's overtime policy to add additional categories of overtime for which eligible non-exempt employees may be eligible for overtime regardless of whether they have exceeded 40 hours in a work week.

City staff recommends amending Section 3.01.220 of the City Code and adopting the amendments to the procedures of the City's Personnel Manual, Policy 220, as attached here.

FINANCIAL IMPACT:

SUBMITTED BY:
Amber Burnette, City Manager's Office

ATTACHMENTS:
Overtime Policy FY2026 Council Presentation 5.8.26.pdf
Exhibit A redline.pdf
220-Overtime-Non-exempt-Employees_06.09.2026_clean.pdf
220 Overtime-Non-exempt-Employees-redline.pdf
ORD-Authorized Overtime First Reading plus Exhibit A clean.pdf

# Proposed Changes to Overtime Policy

Council Meeting June 9, 2026

GEORGETOWN TEXAS

# OT Policy Background

- Personnel Policy 220 – Overtime Non-Exempt Employees
- Guidelines to administer overtime pay
- Must meet Fair Labor Standards Act minimum requirements; City can choose to set policy above minimums
- Last updated in 2011
- Proposed changes will result in compensation changes for employees – recommended for Council approval

# What prompted change?

- Provide clear and consistent policy guidance across multiple departments
- ELECTRIC -Rapid system growth is increasing demand for skilled linemen
  - The labor market for journeyman linemen is highly competitive and tightening
  - Competing utilities and private sector employers are actively recruiting from the same workforce
  - The total compensation (regular and overtime pay) of a lineman in our electric utility is lower than our regional peers with whom we compete for personnel.
  - Enhancing total compensation is necessary to attract and retain qualified linemen and remain competitive
- Ability to qualify for overtime for specific circumstances even if productive time is not 40 hours

# Goals of Revised Policy

- Clarify **existing** definitions of Authorized Overtime
  - **Special Overtime** – time reimbursed by another department or outside agency
    - Poppy Fest support
  - **Call Out Time** – called in to work from a standby status for an emergency
    - major line break in the middle of the night
  - **Call Back** (Public Safety) - situations of emergency, exigent circumstances, and/or time sensitive matters requiring personnel to perform work on an unscheduled basis
    - Mandatory OT (FD/hold over – PD/min staffing); major events

# Goals of Revised Policy

- Add ***new*** definitions of Authorized Overtime
  - **Extended Shift** – required to work beyond the end of a regular shift on an unscheduled basis for an emergency
    - Water line break at 3:30pm
  - **Critical After-Hours Assignment** – pre-scheduled work performed outside of regular hours; planned work necessary to prevent an otherwise unplanned emergency, hazard or operational downtime
    - replace leaking transformer at night when an affected business is closed
    - Replacing a damaged guardrail on a busy road
  - Example exclusions
    - Non-critical, routine administrative work
    - Training
    - Routine maintenance

# What's not changing

- Non-productive time (sick leave, holiday, etc.) does not count toward time worked to calculate overtime in cases not specifically addressed in the policy
- Supervisors may adjust schedules to avoid overtime; flexing schedules is preferred to overtime compensation
- Supervisors must have a business need for overtime, authorize overtime in advance, offer it equitably and consistently, and must have funds available in the budget
- Rate is 1.5x regular rate of pay

# Example (Critical After Hours)

| | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday* | | |
|---|---|---|---|---|---|---|---|---|---|
| **Current Scenario** | | | | | | | | **Hours** | **OT Hours** |
| Employee 1 | | 8 | 8 | 8 | 8 | 8 | 8 | 48 | 8 |
| Employee 2 | | ~~VAC**~~ | 8 | 8 | 8 | 8 | 8 | 40 | 0 |
| **Proposed Scenario** | | | | | | | | | |
| Employee 1 | | 8 | 8 | 8 | 8 | 8 | 8 | 48 | 8 |
| Employee 2 | | ~~VAC**~~ | 8 | 8 | 8 | 8 | 8 | 40 | 8 |
| | | | | | | | | | |

*Assume there is an 8-hour critical after-hours assignment on Saturday.
**Employee reduces leave hours.

# Financial Impact

- Overtime costs will increase under the proposed policy (estimated to be approximately 5% of budgeted overtime - ELECTRIC)
- Total impact will vary based on system events (outages, extended shifts, critical work)
- These events are inherently unpredictable and cannot be precisely forecasted
- The policy does not create new work, but changes how existing work is compensated
- Costs are expected to remain within a manageable range based on historical activity
- Improved compensation reduces turnover risk, which carries significant replacement and training costs

# Next Steps

- First reading
- Second reading
- Employee training
- Enhanced reporting for Directors
- Effective date August 10, 2026

# Caption

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, AMENDING SECTION 3.01.220 OF THE CODE OF ORDINANCES RELATING TO OVERTIME EXEMPTIONS FOR ELIGIBLE NON-EXEMPT EMPLOYEES; REPEALING CONFLICTING ORDINANCES AND RESOLUTONS; INCLUDING A SEVERABLIBITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

**EXHIBIT A**

**Sec. 3.01.220. - Overtime: Non-exempt employees.**

A. Purpose: To provide guidelines to administer overtime pay to manage time and fiscal resources and comply with applicable federal and state wage and hour regulations ensuring an attractive and fair work environment.

B. Scope: This policy applies to non-exempt employees.

C. Policy: Hours compensated at the overtime rate shall be defined as the hours actually worked in excess of 40 hours in a work week (See Hours of Work and Paydays #210) or in excess of the maximum standard for the work period as defined by the Police and Fire Departments, ~~106 hours in a 14-day cycle for firefighters,~~ which are not banked as compensatory time. Benefit hours or compensatory time taken within the work week or work cycle are not used as the basis for calculating the actual hours worked.

~~NOTE~~Exception: I~~Only i~~f the time worked is approved as special, extended shift, critical after-hours assignment, call-out time, call-back time, or holiday, ~~call-back, or call-out overtime shall~~ the employee may be entitled to overtime pay when the actual ~~worked~~ hours worked in any given week are less than the requirements for overtime pay.

# OVERTIME: NON-EXEMPT EMPLOYEES

## I. PURPOSE

To provide guidelines to administer overtime pay to manage time and fiscal resources and comply with applicable federal and state wage and hour regulations ensuring an attractive and fair work environment.

## II. SCOPE

This policy applies to non-exempt employees.

## III. POLICY

Hours compensated at the overtime rate shall be defined as the hours actually worked in excess of 40 hours in a work week (see Hours of Work and Paydays #210) or in excess of the maximum hours standard for the work period as defined by the Police and Fire Departments, which are not banked as compensatory time. Benefit hours or compensatory time taken within the work week or work cycle are not used as the basis for calculating the actual hours worked.

Exception: If the time worked is approved as special, extended shift, critical after-hours assignment, call-out time, call-back time, or holiday, the employee may be entitled to overtime pay when the actual hours worked in any given week are less than the requirements for overtime pay.

## IV. GUIDELINES

Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour requirements. Unless otherwise noted in policy, paid sick leave, vacation, bereavement leave, jury duty, or any other leave of absences are not considered time worked for the purposes of calculating overtime.

Unless exempted by law, overtime is considered a condition of employment, and refusal to accept it when reasonable notice has been given is cause for discipline, up to and including termination. At the supervisor's discretion, an employee may be allowed to adjust their work schedule during a workweek to avoid overtime.

Overtime shall not be worked without authorization by the department and may be worked only if adequate funds are available in the department's budget. The preferable method for

overtime compensation is to schedule equal time off for the affected employee during the same work period in which he/she worked the overtime.

## V. PROCEDURES

### A. Authorization

When the City's operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime, at the request of their supervisor. When possible, advance notification of mandatory overtime assignments will be provided. Supervisors are accountable for distributing overtime assignments equitably and consistently to all non-exempt employees qualified to perform the required work, taking into consideration the costs associated. Refusal or other failure to work mandatory overtime may result in disciplinary action, up to and including termination. Overtime work is otherwise subject to the same attendance policies as straight time work.

All non-exempt employees must receive their supervisor's authorization before performing any overtime work. This means employees may not begin work prior to their scheduled work day, and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor. Similarly, employees may not work through their lunch break without prior authorization from the appropriate supervisor.

### B. Compensation

Authorized overtime shall be compensated at the rate of one and one-half times the regular rate of pay or at the rate of one and one-half the hours of compensatory time or pay.

### C. Compensatory Time

Compensatory time, in lieu of actual overtime pay, may be substituted provided that the supervisor and employee both agree and this agreement is made prior to the overtime being worked.

The maximum amount of compensatory time that may be accumulated at any one time shall be 80 hours and 120 for fire fighters. Once accrued, compensatory time must be taken as compensatory time off. An employee will be paid for any unused compensatory time upon separation. See Compensatory Time #221.

### E. Exceptions to FLSA Overtime for regular, full-time employees only

1. Special Overtime

Special Overtime is work done for a different City Department or by an outside agency to be reimbursed by the different City Department or outside agency. This type of overtime is on a scheduled basis with prior authorization by the appropriate Division Director.

2. Extended Shift Overtime

Extended shift overtime is when a non-exempt employee is required to work beyond the end of their regularly scheduled shift on an unscheduled basis without prior notice due to an emergency. Extended shift overtime will only be for the actual time worked. There is no minimum 2-hour guarantee. For example, if an employee works for 1 hour beyond the end of their regularly scheduled shift due to an emergency, they will receive 1 hour of overtime.

3. Critical After-Hours Assignment Overtime

Critical-After-Hours Assignment Overtime is when a non-exempt employee is pre-scheduled to perform work outside of their scheduled working hours for a Critical After-Hours Assignment.

A Critical After-Hours Assignment is a pre-authorized, planned work activity performed outside of scheduled working hours that is necessary to mitigate the risk of an unplanned emergency to mitigate hazards, better ensure employee and public safety, or avoid unacceptable operational downtime.

For example, the replacement, repair, or rerouting of essential infrastructure (e.g., electric distribution equipment, water and wastewater infrastructure, utility operational technology infrastructure, traffic signals, or roadway repairs) where the work can only be scheduled outside of an employee's scheduled hours.

Exclusions and Oversight

Critical After-Hours Assignments do not include tasks that are administrative in nature, routine maintenance, training, or work that can reasonably be deferred to regular hours. For example, the following activities do not qualify as Critical After-Hours Assignment:

- Administrative work (e.g., report writing, data entry, filing)
- Non-critical tasks (e.g., email, meetings, document review)
- Training and development activities
- Planning and scheduling duties

- Routine maintenance or inspections
- Any work performed voluntarily or without prior supervisor authorization

Supervisors and managers are responsible for ensuring the assignment is operationally necessary, pre-authorized, and is properly documented in timekeeping and work management systems.

NOTE: This provision does not apply to civil service employees.

4. Call-Out Time

Employees that work Unplanned Emergencies outside of their regular hours are eligible for Call Out Time. Call Out Time refers to time worked outside of regular working hours under the following circumstances:

Unplanned Emergencies: When a non-exempt employee is required to work on an unscheduled basis due to an emergency, either from a scheduled "standby" status or without prior notice. Call-out time is compensated at a minimum of 2 hours for each 24-hour period during which the employee is required to report to duty outside of normal working hours.

NOTE: Does not apply to civil service employees.

5. Call-Back Time

Call-Back Time applies only to the civil service positions. Call-Back Time is defined as situations of emergency, exigent circumstances, and/or time sensitive matters requiring personnel to perform work on an unscheduled basis.

Call-Back Time must be pre-approved by a supervisor and is warranted for situations such as holding over a regular shift to take or complete a late call for service when necessary, being called in to maintain minimum staffing, being called in for a specialized duty that is unplanned and unscheduled. Compensation for Call-Back Time may be paid on a time and one-half basis for the actual hours worked in accordance with Department policy.

6. Holiday Work

Employees not regularly required to work on a City holiday (observed or actual) will be compensated as overtime for actual hours worked. The holiday hours not taken will be banked for employees to take at a later date.

Patrol officers, Communications Operators, and Firefighters are regularly scheduled to work on holidays and will not be paid overtime if scheduled to work on a City

holiday (observed or actual) with the exception of the Thanksgiving Day and Christmas Day holidays. See Holidays #312.

## VI. CONSEQUENCES OF OVERTIME OVERUSE

Supervisors who authorize staff members to work overtime without prior approval from management will be subject to disciplinary action. Supervisors who continually rely on the use of overtime hours in order to complete a week's work without it being deemed as extenuating by management will be placed on a performance improvement plan.

## VII. CONSEQUENCES OF UNAUTHORIZED OVERTIME:

Employees who fail to obtain approval prior to working hours that extend beyond their normal workweek will be subject to disciplinary action. Repeated offenses may result in further disciplinary action up to and including termination.

**OVERTIME: NON-EXEMPT EMPLOYEES**

I. PURPOSE

To provide guidelines to administer overtime pay to manage time and fiscal resources and comply with applicable federal and state wage and hour regulations ensuring an attractive and fair work environment.

II. SCOPE

This policy applies to non-exempt employees.

III. POLICY

Hours compensated at the overtime rate shall be defined as the hours actually worked in excess of ~~forty~~40 hours in a work week (~~See~~see Hours of Work and Paydays #210) or in excess of ~~106~~the maximum hours ~~in a 14 day cycle~~standard for ~~firefighters~~the work period as defined by the Police and Fire Departments, which are not banked as compensatory time. Benefit hours or compensatory time taken within the work week or work cycle are not used as the basis for calculating the actual hours worked.

~~NOTE: Only if~~Exception: If the time worked is approved as special, ~~holiday,~~ extended shift, critical after-hours assignment, call-out time, call-back time, or ~~call-out overtime shall~~ holiday, the employee may be entitled to overtime pay when the actual hours worked ~~hours~~ in any given week are less than the requirements for overtime pay.

IV. GUIDELINES

Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour requirements. Unless otherwise noted in policy, paid sick leave, vacation, bereavement leave, jury duty, or any other leave of absences are not considered time worked for the purposes of calculating overtime.

Unless exempted by law, overtime is considered a condition of employment, and refusal to accept it when reasonable notice has been given is cause for discipline, up to and including termination. At the supervisor's discretion, an employee may be allowed to adjust their work schedule during a workweek to avoid overtime.

Overtime shall not be worked without authorization by the department and may be worked only if adequate funds are available in the department's budget. The preferable method for

overtime compensation is to schedule equal time off for the affected employee during the same work period in which he/she worked the overtime.

V. PROCEDURES

A. Authorization

When the City's operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime, at the request of their supervisor. When possible, advance notification of mandatory overtime assignments will be provided. Supervisors are accountable for distributing overtime assignments ~~as~~ equitably ~~as practical~~and consistently to all non-exempt employees qualified to perform the required work, taking into consideration the costs associated. Refusal or other failure to work mandatory overtime may result in disciplinary action, up to and including termination. Overtime work is otherwise subject to the same attendance policies as straight time work.

All non-exempt employees must receive their supervisor's authorization before performing any overtime work. This means employees may not begin work prior to their scheduled work day, and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor. Similarly, employees may not work through their lunch break without prior authorization from the appropriate supervisor.

B. Compensation

Authorized overtime shall be compensated at the rate of one and one-half times the regular rate of pay or at the rate of one and one-half the hours of compensatory time or pay.

C. Compensatory Time

Compensatory time, in lieu of actual overtime pay, may be substituted provided that the supervisor and employee both agree and this agreement is made prior to the overtime being worked.

The maximum amount of compensatory time that may be accumulated at any one time shall be 80 hours and 120 for fire fighters. Once accrued, compensatory time must be taken as compensatory time off. An employee will be paid for any unused compensatory time upon separation. See Compensatory Time #221.

E. Exceptions to FLSA Overtime for regular, full-time employees only

1. Special Overtime

Special Overtime is ~~payment at time and one-half for~~ work done for a different City Department or ~~for services that are~~by an outside agency to be reimbursed by ~~an outside agency. The base rate of pay for special overtime may be~~ the different ~~than the employee's regular rate of pay~~City Department or outside agency. This type of overtime is on a scheduled basis with prior authorization by the appropriate Division Director.

2. Extended Shift Overtime

Extended shift overtime is when a non-exempt employee is required to work beyond the end of their regularly scheduled shift on an unscheduled basis without prior notice due to an emergency. Extended shift overtime will only be for the actual time worked. There is no minimum 2-hour guarantee. For example, if an employee works for 1 hour beyond the end of their regularly scheduled shift due to an emergency, they will receive 1 hour of overtime.

3. Critical After-Hours Assignment Overtime

Critical-After-Hours Assignment Overtime is when a non-exempt employee is pre-scheduled to perform work outside of their scheduled working hours for a Critical After-Hours Assignment.

A Critical After-Hours Assignment is a pre-authorized, planned work activity performed outside of scheduled working hours that is necessary to mitigate the risk of an unplanned emergency to mitigate hazards, better ensure employee and public safety, or avoid unacceptable operational downtime.

For example, the replacement, repair, or rerouting of essential infrastructure (e.g., electric distribution equipment, water and wastewater infrastructure, utility operational technology infrastructure, traffic signals, or roadway repairs) where the work can only be scheduled outside of an employee's scheduled hours.

Exclusions and Oversight

Critical After-Hours Assignments do not include tasks that are administrative in nature, routine maintenance, training, or work that can reasonably be deferred to regular hours. For example, the following activities do not qualify as Critical After-Hours Assignment:

- Administrative work (e.g., report writing, data entry, filing)
- Non-critical tasks (e.g., email, meetings, document review)
- Training and development activities

- Planning and scheduling duties
- Routine maintenance or inspections
- Any work performed voluntarily or without prior supervisor authorization

Supervisors and managers are responsible for ensuring the assignment is operationally necessary, pre-authorized, and is properly documented in timekeeping and work management systems.

NOTE: This provision does not apply to civil service employees.

~~2.~~4. Call~~-~~-Out Time

Employees that work Unplanned Emergencies outside of their regular hours are eligible for Call Out Time~~ is~~. Call Out Time refers to time worked ~~in situations~~outside of ~~emergencies when~~regular working hours under the following circumstances:

Unplanned Emergencies: When a ~~staff person~~non-exempt employee is ~~called in~~required to work on an unscheduled basis due to an emergency, either from a scheduled "standby" status or ~~is called in to work in situations of emergencies on an unscheduled basis. Compensation for call~~ without prior notice. Call-out time is ~~on a time and one-half basis," with~~compensated at a minimum of 2 hours ~~of time paid per~~for each 24~~-~~-hour period ~~"called out."~~during which the employee is required to report to duty outside of normal working hours.

NOTE: Does not apply to civil service employees.

~~3.~~5. Call~~-~~-Back Time

Call~~-~~-Back Time applies only to the civil service positions. Call~~-~~-Back Time is defined as situations of emergency, exigent circumstances, and/or time sensitive matters requiring personnel to perform work on an unscheduled basis.

Call~~-~~-Back Time must be pre-approved by a supervisor and is warranted for situations such as holding over a regular shift to take or complete a late call for service when necessary, being called in to maintain minimum staffing, being called in for a specialized duty that is unplanned and unscheduled. Compensation for Call~~-~~-Back Time may be paid on a time and one-half basis ~~and will be paid~~ for the actual hours worked in accordance with Department policy.

~~4.~~6. Holiday ~~work~~Work

Employees not regularly required to work on a City holiday (observed or actual) will be compensated ~~at one and one-half times their regular hourly rate~~as overtime for

actual hours worked. The holiday hours not taken will be banked for employees to take at a later date.

Patrol officers, Communications Operators, and Firefighters are regularly scheduled to work on holidays and will not be paid overtime if scheduled to work on ~~an~~a City holiday (observed or actual) with the exception of the Thanksgiving Day and Christmas Day holidays. See Holidays #312.

## VI. ~~CONSEQUENSES~~CONSEQUENCES OF OVERTIME OVERUSE

Supervisors who authorize staff members to work overtime without prior approval from management will be subject to disciplinary action. Supervisors who continually rely on the use of overtime hours in order to complete a week's work without it being deemed as extenuating by management will be placed on a performance improvement plan.

VII. ~~CONSEQUENSES~~CONSEQUENCES OF UNAUTHORIZED OVERTIME:

Employees who fail to obtain approval prior to working hours that extend beyond their normal workweek will be subject to disciplinary action. Repeated offenses may result in further disciplinary action up to and including termination.

**ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, AMENDING SECTION 3.01.220 OF THE CODE OF ORDINANCES RELATING TO OVERTIME EXCEPTIONS FOR ELIGIBLE NON-EXEMPT EMPLOYEES; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, Section 2.16 of the Georgetown City Charter provides that the City Council shall, by ordinance, establish personnel policies; and

**WHEREAS**, the "policy statement" portion of each personnel policy is codified in the Code of Ordinances and the implementing procedures for each personnel policy are codified in a separate Personnel Manual; and

**WHEREAS**, the City Council desires to administer overtime pay to manage time and fiscal resources and comply with applicable federal and state wage and hour regulations ensuring an attractive and fair work environment; and

**WHEREAS**, the City Council finds that the City has experienced rapid growth and as a result, the labor market for certain positions is very competitive; and

**WHEREAS**, the City Council finds it necessary to guarantee increased compensation for certain categories of overtime in order for the City to compete with private sector peers; and

**WHEREAS**, the City Council finds it to be in the best interest of the public to amend Section 3.01.220 of the Code of Ordinances as set out herein.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:**

**Section 1.** The meeting at which this ordinance was approved was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 2.** The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

**Section 3.** Section 3.01.220 of the Code of Ordinances is hereby amended as shown in **Exhibit A**.

**Section 4.** All ordinances or resolutions that conflict with the provisions of this ordinance are hereby repealed, and all other ordinances or resolutions of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 5.** If any provision of this ordinance, or application thereof, to any person or circumstance, shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance, which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are hereby declared to be severable.

**Section 6.** The Mayor is hereby authorized to sign this ordinance and the City Secretary to attest. This Ordinance shall become effective and be in full force and effect August 10, 2026 in accordance with the provisions of the City Charter of the City of Georgetown.

**PASSED AND APPROVED on First Reading on the _____of _____, 2026.**

**PASSED AND APPROVED on Second Reading on the _____ of _____, 2026.**

**CITY OF GEORGETOWN, TEXAS**

_____
Josh Schroeder, Mayor

**ATTEST:**

_____
Robyn Densmore, City Secretary

**APPROVED AS TO FORM:**

_____
Skye Masson, City Attorney

## EXHIBIT A

**Sec. 3.01.220. - Overtime: Non-exempt employees.**

A. Purpose: To provide guidelines to administer overtime pay to manage time and fiscal resources and comply with applicable federal and state wage and hour regulations ensuring an attractive and fair work environment.

B. Scope: This policy applies to non-exempt employees.

C. Policy: Hours compensated at the overtime rate shall be defined as the hours actually worked in excess of 40 hours in a work week (See Hours of Work and Paydays #210) or in excess of the maximum standard for the work period as defined by the Police and Fire Departments, which are not banked as compensatory time. Benefit hours or compensatory time taken within the work week or work cycle are not used as the basis for calculating the actual hours worked.

Exception: If the time worked is approved as special, extended shift, critical after-hours assignment, call-out time, call-back time, or holiday, the employee may be entitled to overtime pay when the actual hours worked in any given week are less than the requirements for overtime pay.

# City of Georgetown, Texas
# City Council
# June 9, 2026

SUBJECT:
**TABC Waiver - Perky Beans**

SUGGESTED ACTION:
Consideration and possible action to approve a waiver allowing alcohol sales at 2651 E University Ste 100, within 1000 feet from a school and church -- Robyn Densmore, City Secretary

ITEM SUMMARY:
Perky Beans Georgetown LLC is seeking a Mixed Beverage (MB) License for their business located at 2651 East University Avenue, Suite 100, Georgetown, TX 78626.

This is directly across the street from St. Helen's Catholic Church and school, which is within the 300-foot limit of church, public or private school, or public hospital per City Code § 6.40.050.A.

City staff from both the City Secretary's Office and the City Attorney's Office have reviewed the application and applicable case law. The City Secretary cannot approve the application without a waiver from the City Council.

The City has prohibited a person or business from selling any alcoholic beverages within 300 feet of a church, public or private school, or public hospital. City Code § 6.40.050.A.

If requested by a school district, a person or business is prohibited from selling alcoholic beverages within 1,000 feet of a public or private school. City Code § 6.40.050.B.

**Waivers**

The City may waive the prohibitions within 300 feet for a particular business if:

1. The business is within 1,000 feet of a school, and the school district has not requested the prohibition; and
2. The City determines enforcement of the prohibition:
    a. Is not in the best interest of the public;
    b. Constitutes waste or inefficient use of land or other resources;
    c. Creates an undue hardship on an applicant for a State license or permit;
    d. Does not serve its intended purposes;
    e. Is not effective or necessary; or
    f. Is not in the best interest of the community, after consideration of the health, safety, and welfare of the public and the equities of the situation.

Perky Beans Georgetown LLC is seeking a waiver to allow them to sell alcohol even though the business will be located in the 300-foot limit as noted above.

FINANCIAL IMPACT:
None.

SUBMITTED BY:
Robyn Densmore, City Secretary

ATTACHMENTS:
TABC License Application - Perky Beans.pdf
Perky Beans Waiver Request Letter 05.22.2026.pdf
Perky Beans TABC Waiver.pdf

**Document reference ID : 599550**

# Licensing Application Summary

You must review your application and confirm that the information displayed here is correct. Select **Review and Confirm** to continue and make the payment. If the information is not correct, select **Back** to return to the application, edit the data as needed and finalize the submission. If you need to store the application packet for your records, select **Download**.

| | |
|---|---|
| **Application ID:** | 599550 |
| **Applicant Name:** | Perky Beans Georgetown LLC |
| **License Type applied for:** | Mixed Beverage Permit (MB) |

## Entity Information

| | |
|---|---|
| **Business Structure:** | Limited liability company |
| **FEIN/SSN Number:** | [redacted] |
| **Member Managed or Manager Managed:** | Member Managed |
| **Historically Underutilized Business:** | No |
| **Veteran-owned business:** | No |
| **Fraternal Owned:** | No |
| **Secretary of State Filing Number:** | [redacted] |
| **Date Filed:** | 1/28/2026 |
| **Filing State:** | TX |

## Primary Business Entity Contact Information

| | |
|---|---|
| **Legal First Name:** | Angela |
| **Legal Middle Name:** | Diaz |
| **Email Address:** | [redacted] |
| **Phone Number:** | [redacted] |

# Initial Application Information

| | |
|---|---|
| **Authority Type:** | I am a principal or authorized user with binding authority |
| **Legal First Name:** | Angela |
| **Legal Middle Name:** | Ann |
| **Legal Last Name:** | Diaz |
| **Email Address:** | [redacted] |
| **Phone Number:** | [redacted] |

# Principal Parties

| Principal Parent Entity | Principal Party | Role | Ownership % | Action |
|---|---|---|---|---|
| Perky Beans Georgetown LLC | Angela ANN Diaz | Manager and/or Officer, Member, Manager and/or Officer, Member | 50 | Added |
| Perky Beans Georgetown LLC | Ronald James Diaz | Manager and/or Officer, Member, Manager and/or Officer, Member | 50 | Added |

# Basic Business information

**Business/Trade Name:** Perky Beans Coffee

**Business Type** Restaurant

# Location's Phone Numbers

**Business Phone Number** [redacted]

# Location Address

**Address:** 2651 E University Ave, Ste 100, Georgetown, TX, United States, Williamson 78626

**Is your location within city limits?** Yes

# Mailing Address Information

**Address:** 2651 E University Ave, Ste 100, Georgetown, TX, United States, Williamson 78626

# Measurement Information

**Measuring from the public entrance of your location along street lines and directly across intersections, will your location be within 1,000 feet of the nearest property line of a public or private school?** No

**Is a residential address or established neighborhood association located within 300 feet of any property line of your premises?** No

# Location Additional Information

**Is the proposed location in a hotel or motel?** No

# Sixty Day Sign Requirements

| | |
|---|---|
| **Posted the 60 day sign:** | Yes |
| **Date Posted:** | 3/18/2026 |

# Projected Sales Information

| | |
|---|---|
| **Sales Year:** | 2026 |
| **Alcohol Sale:** | $10,000.00 |
| **Food Sales:** | $375,000.00 |
| **Other Sales:** | $915,000.00 |
| **Total Sales:** | $1,300,000.00 |

# Property Ownership

| | |
|---|---|
| **Do you, the applicant, own the land, building, and/or warehouse at this proposed licensed location?** | No |
| **Are you operating under?** | Lease |

# Franchise Agreement

| | |
|---|---|
| **Do you or anyone else at the location operate under a franchise agreement?** | No |
| **Are there any agreements, exclusive of a franchise agreement, which involve alcohol in any way?** | No |

## Shared premise information

**Do you share the premises with another business entity?** No

## Property Ownership Details

| Property Type | Property Ownership Type | Entity Name |
|---|---|---|
| Land and Building | Owner | 2701 GTOWN LLC |

# Location Diagram

**Will the license or permit embrace the entire location address?** Yes

## CERTIFICATE OF CITY SECRETARY FOR: (MB, BG & BE)

Section 11.37 & 61.37

Not later than the 30th day after the date a prospective applicant for a license or permit requests certification, the city secretary or clerk shall certify whether the location or address given in the request is in a wet area and whether the sale of alcoholic beverages for which the license or permit is sought is prohibited by ordinance.

I hereby certify on this _____ day of _____ , _____ , that the location for which the license/permit is sought is inside the boundaries of this city or town, in a **"wet"** area for such license/permit, and not prohibited by charter or ordinance in reference to the sale of such alcoholic beverages.

**MB** Mixed Beverage Permit

**MB/FB** Mixed Beverage Restaurant Permit with Food and Beverage Certificate
(MB must also hold a Food and Beverage Certificate)

**BG/FB** Wine and Beer Retailer's Permit with Food and Beverage Certificate
(BG must also hold a Food and Beverage Certificate)

**BG** Wine and Beer Retailer's Permit - **Election for given location was held for:**
legal sale of beer/wine (17%) on-premise ***AFTER*** Sept. 1, 1999
legal sale of beer/wine (14%) on-premise ***BEFORE*** Sept. 1, 1999

**BE** Beer Retail Dealer's On-Premise License

**BE/FB** Retail Dealer's On-Premise License with **required** Food and Beverage Certificate

**OR**

I hereby refuse on this _____ day of _____ , 20_____ to certify this location.

SIGN HERE

_____
City Secretary/Clerk

_____
City

,TEXAS

**SEAL**

# CERTIFICATE OF COUNTY CLERK FOR: (MB, BG & BE)

Section 11.37 & 61.37

Not later than the 30th day after the date a prospective applicant for a license or permit requests certification, the city secretary or clerk shall certify whether the location or address given in the request is in a wet area and whether the sale of alcoholic beverages for which the license or permit is sought is prohibited by ordinance.

I hereby certify on this _____ day of _____ , _____ , that the location for which the license/permit is sought is in a **"wet"** and is not prohibited by any valid order of the Commissioner's Court.

**MB** Mixed Beverage Permit

**MB/FB** Mixed Beverage Restaurant Permit with Required Food and Beverage Certificate

**BG/FB** Wine and Beer Retailer's Permit with Required Food and Beverage Certificate

**BG** Wine and Beer Retailer's Permit - **Election for given location was held for:**
legal sale of beer/wine (17%) on-premise ***AFTER*** Sept. 1, 1999
legal sale of beer/wine (14%) on-premise ***BEFORE*** Sept. 1, 1999

**BE** Beer Retail Dealer's On-Premise License

**BE/FB** Retail Dealer's On-Premise License with **required** Food and Beverage Certificate

**OR**

I hereby refuse on this _____ day of _____ , 20 _____ to certify this location.

SIGN HERE

_____
County Clerk

_____
County

**SEAL**

# COMPTROLLER OF PUBLIC ACCOUNTS CERTIFICATES

I hereby certify on this _____ day of _____ , _____ , the applicant holds or has applied for and satisfies all legal requirements for the issuance of a Sales Tax Permit under the Limited Sales, Excise and Use Tax Act or the applicant as of this date is not required to hold a Sales Tax Permit.

Sales Tax Permit Number _____

Outlet Number _____

Print Name of Comptroller Employee _____

Print Title of Comptroller Employee _____

SIGN HERE

_____
Comptroller Representative

_____
City

,TEXAS

**SEAL**

| PUBLISHER'S AFFIDAVIT | |
|---|---|
| Name of newspaper | |
| City, County | |
| Dates notice published in daily/weekly newspaper (MM/DD/YYYY) | |
| *Publisher or designee certifies attached notice was published in newspaper stated on dates shown* | |
| Signature of publisher or designee | |
| Sworn to and subscribed before me on this date | |
| Signature of Notary Public | |
| **SEAL** | |
| **ATTACH PRINTED COPY OF THE NOTICE** | |

May 22, 2026

City of Georgetown
Attn: Georgetown City Council
c/o Robyn Densmore, TRMC, City Secretary
808 Martin Luther King Jr. Street
Georgetown, TX 78626

RE: Request for Waiver Review – TABC Application for Perky Beans Coffee Georgetown

Dear Mayor and City Council Members,

Perky Beans Coffee respectfully requests that the Georgetown City Council review and consider granting a waiver related to the distance requirements applicable to our TABC permit application for our upcoming Georgetown location (2651 E. University Ave., #100, Georgetown, TX 78626).

Perky Beans Coffee is a locally owned business that has proudly served the community through our existing Leander location. Our Georgetown location is intended to operate in the same manner —as a coffee shop offering coffee and tea beverages, along with bagel breakfast sandwiches, salads, and paninis. While we are applying for a mixed beverage permit, alcohol sales are intended to be complementary to our existing business model and represent only a small portion (less than 2%) of our anticipated sales. Our concept is not that of a bar or nightlife establishment.

We are seeking the waiver due to the proximity requirements involving St. Helen's Church and School. Although we understand the Church has chosen not to provide a letter of support, we respectfully request that the City Council independently review our application and the nature of our business concept in considering this request.

Additionally, we respectfully request discussion and clarification regarding the methodology used to measure the distance between the two properties when the application was denied. We have requested the official measurement methodology and measured distance from the City so that we may better understand how the determination was reached under the applicable ordinance.

We believe Perky Beans Coffee will be a positive addition to the Georgetown community and surrounding businesses. Our goal is to create a welcoming environment focused on coffee, food, hospitality, and community gathering.

Thank you for your time and consideration. Please let us know if there is any additional information we can provide to assist with your review.

Sincerely,

Angie Diaz
Perky Beans Coffee
Leander and Georgetown, Texas
(737) 738-3551
perkybeanscoffee.com

# TABC Waiver - Perky Beans

June 9, 2026 | Item 6.D

GEORGETOWN TEXAS

# Overview

- Applicant Information
- Distance requirements laid out in City Code § 6.40.050.A and § 6.40.050.B
- Distance measurements
- Waiver request

# Applicant Information – Perky Beans Georgetown

GEORGETOWN TEXAS

# TABC Licensing Application Summary

- Perky Beans Georgetown LLC
- Mixed Beverage Permit (MB)
- Location address
  - 2651 East University Avenue, Suite 100, Georgetown, TX 78626

# Aerial Map

City of Georgetown
Fire Station #7
Frontier Bank -
Georgetown
E State Hwy 29
E State Hwy 29
Ascot St
Ascot St
Divine Mercy Loop
Divine Mercy Loop
Divine Mercy Loop
St. Helen Catholic Church
7
2
6
3
5

# Distance Requirement in City Code

# Sec. 6.40.050. - Minimum distance requirements.

- Sec. 6.40.050.A
  - A. Unless otherwise permitted by the Texas Alcoholic Beverage Code, it is unlawful for a person to sell or engage in the business of selling any alcoholic beverage where the place of business of such person is located within 300 feet of a church, public or private school or public hospital.
    - 1. The measurement of the distance between the place of business where alcoholic beverages are sold and the church or public hospital shall be along the property lines of the street fronts and from the front door to front door, and in direct line across intersections.
    - 2. The measurement of the distance between the place of business where alcoholic beverages are sold and the public or private school shall be in a direct line from the property line of the public or private school to the nearest property line of the place of business, and in a direct line across intersections; ...

# Sec. 6.40.060. - Waivers.

- Sec. 6.40.060.A
  - A. The prohibition under Subsection 6.40.50(A) may be waived for a particular place of business by the City Council if the City Council determines that enforcement of the prohibition:
    - 1. Is not in the best interest of the public;
    - 2. Constitutes waste or inefficient use of land or other resources;
    - 3. Creates an undue hardship on an applicant for a State license or permit;
    - 4. Does not serve its intended purposes;
    - 5. Is not effective or necessary; or
    - 6. Is not in the best interest of the community, after consideration of the health, safety and welfare of the public and the equities of the situation.

# Sec. 6.40.060. - Waivers. (cont)

- Sec. 6.40.060.B
  - B. When considering a waiver under this Subsection, the City Council may consider any written statements filed with the City Secretary by each church, public or private school and public hospital within 300 feet from the applicant's proposed place of business.

  - No such statement either in support or in opposition has been filed at this time.

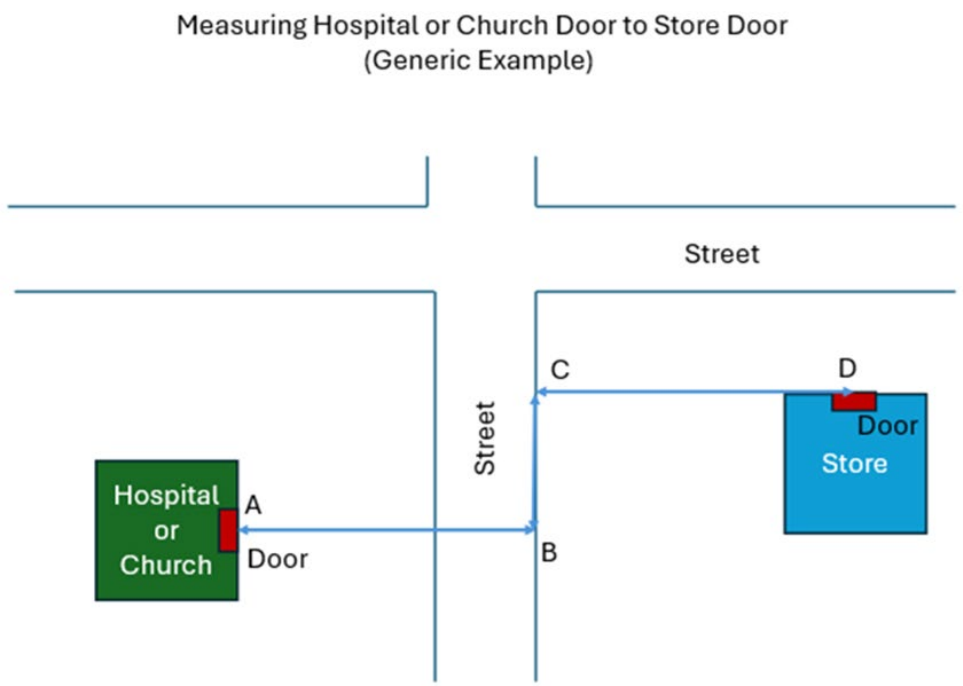
# Distance Measurements and Guidance

# Aerial Map

City of Georgetown
Fire Station #7
Frontier Bank -
Georgetown
E State Hwy 29
E State Hwy 29
Ascot St
Ascot St
Divine Mercy Loop
Divine Mercy Loop
Divine Mercy Loop
St. Helen Catholic Church
7
2
6
3
5

# Measurement Guidance – Church or Hospital Door to Store Door

- The measurement is from the front door of the church to the front door of the place of business. Measure from the front door to the property line, along property lines, and in a direct line across intersections.



# Measurement Guidance – Church or Hospital Door to Store Door

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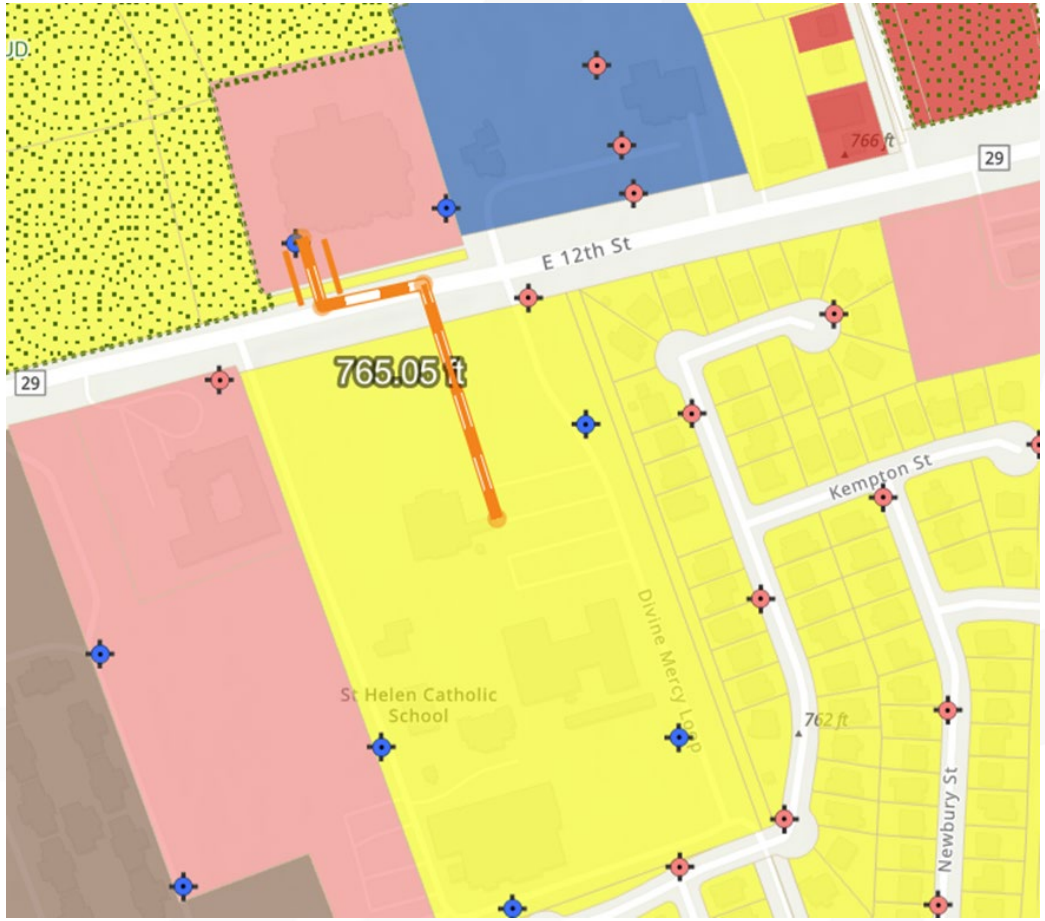
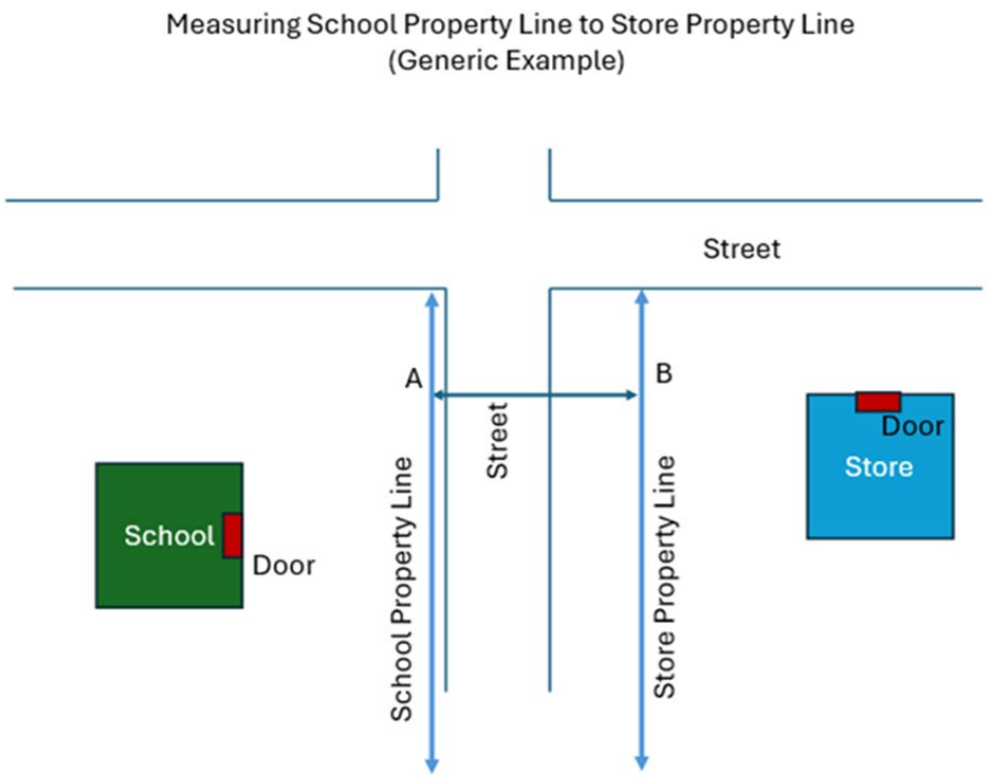


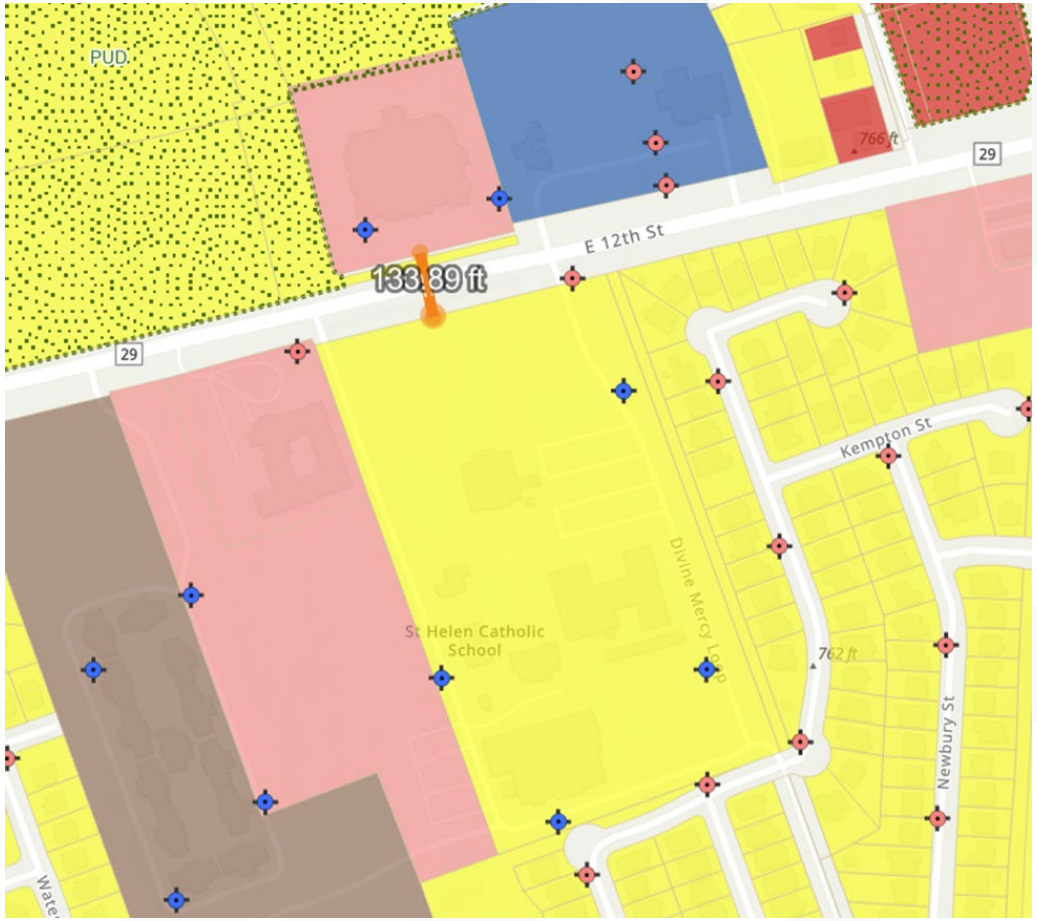
# Measurement Guidance – Public or Private School

- The measurement is a direct line from the property line of the public or private school to the nearest property line of the place of business, and in a direct line across intersections.



# Measurement Guidance – Public or Private School

- The measurement is a direct line from the property line of the public or private school to the nearest property line of the place of business, and in a direct line across intersections.



# Waiver Options

# Approve or Deny the Request for Waiver

- Approve
  - If Council chooses to approve the waiver as presented, Perky Beans would be allowed to proceed with the selling of alcoholic beverages.
- Deny
  - If Council chooses to deny the waiver, Perky Beans can still open, but will not be allowed to sell any alcoholic beverages.

# Questions?