

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (“**Lease**”) is made and entered into effective the ____ day of _____, 2022, by and between **DOUBLE L DEVELOPMENT, LLC**, a Texas limited liability company (“**Lessor**”), and the **CITY OF DRIPPING SPRINGS**, a Type A General Law City located in Hays County, Texas (the “**City**” or “**Lessee**”).

RECITALS

WHEREAS, Lessor intends to develop land located within the extraterritorial jurisdiction of the City (the “**Land**”); and

WHEREAS, pursuant to that certain Amended and Restated Wastewater Utility Service and Fee Agreement dated effective November 13, 2018 (the “**Wastewater Agreement**”), the Lessor will cause to be constructed a reclaimed water production facility (the “**Plant**”) that will be owned, operated and maintained by the City; and

WHEREAS, the Plant will be constructed on a 2.349 acre tract of land owned by Lessor (the “**Plant Site**”), which Plant Site is described by metes and bounds on *Exhibit A* attached hereto and incorporated herein by this reference; and

WHEREAS, Lessor and Lessee wish to enter into this Lease to provide the Lessee with full legal access to the Plant Site to operate the Plant and to conduct all necessary operations to provide wastewater treatment service to the Land as set forth in the Wastewater Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, including the recitals set forth above, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE I LEASE TERM

This Lease shall be in force and effect from the date of its execution for a period of ten (10) years and shall be automatically renewed thereafter for successive one (1) year terms, unless sooner terminated by mutual agreement of the parties. Notwithstanding the foregoing, if the Plant ceases operation for any reason other than repairs or modifications, then this Lease will terminate automatically. Further, if the City is able to provide wastewater service to the Land and the Plant is no longer necessary, as determined by Lessor, then Lessor may terminate the Lease by providing sixty (60) days written notice to Lessee.

**ARTICLE II
RENT**

Lessee agrees to pay to Lessor as rental for the use and occupancy of the Plant Site under this Ground Lease the sum of TEN AND NO/100 (\$10.00) DOLLARS per year, due on the date of the initial commencement date hereof and thereafter on each anniversary date.

**ARTICLE III
TAXES**

All real estate taxes accruing on the Plant Site after the commencement date hereof, if any, shall be paid when due and prior to delinquency by the Lessor.

**ARTICLE IV
UTILITIES**

Lessee shall pay or cause to be paid, as part of its right of occupancy hereunder, all charges for electricity, gas and any and all other utilities used on the Plant Site throughout the lease term hereof. Lessor shall pay or cause to be paid all costs required to bring utilities to the Plant Site that are necessary to install and operate the Plant.

**ARTICLE V
USE OF REAL PROPERTY AND CONSTRUCTION OF IMPROVEMENTS**

It is understood and agreed that the primary purpose for which the Plant Site has been leased is for the construction and operation of a reclaimed water production facility. Lessee shall have no right to alter or change such use, except with the written consent of Lessor. The Plant Site will be used in compliance with applicable law and the Wastewater Agreement, as same may be amended from time to time.

**ARTICLE VI
REPAIRS, MAINTENANCE AND RESTORATION
Lessee's Duty to Repair**

Lessee shall keep and maintain, at its sole cost and expense, the Plant Site and all buildings and improvements now or hereafter built or placed thereon in good order and repair, and Lessee shall bear the full risk of loss for damages to any structure and all personal property located or placed on the Plant Site. Further, Lessee will be responsible for complying with all environmental laws and regulations applicable to the Plant Site and remediating any non-complying environmental condition which is caused by Lessee's occupation and use of the Plant Site.

**ARTICLE VII
ASSIGNMENT AND SUBLEASE**

Lessee shall not sell or assign its leasehold estate or other rights under the Lease in whole or in part, nor shall it sublet the Plant Site or any portion thereof or any portion of any building now or later erected on said Plant Site, except with the written consent of Lessor. Any attempt to do the foregoing without the prior written consent of Lessor is void and of no effect. Consent by Lessor pursuant to this provision shall not be deemed, construed or held to be consent to any additional assignment or subletting, but each successive act shall require similar consent of Lessor. Lessor may, at its option, convey the Plant Site and this Lease to a third party, including Hays Municipal Utility District No. 7 or any Municipal Utility District created from, under or in substitution therefor.

**ARTICLE VIII
DEFAULT AND REMEDIES**

Should Lessee default in the performance of any covenant, condition, or agreement in this Lease, and such default is not corrected within sixty (60) days after receipt of written notice from Lessor to specifying the default, Lessor shall have the right to seek specific performance of this Lease, and Lessor shall receive its reasonable legal fees and expenses incurred for enforcement of this Lease.

**ARTICLE IX
WARRANTIES**

Lessor represents and warrants that it is the owner in fee simple absolute of the Plant Site, subject only to recorded covenants, conditions, restrictions, mortgages, easements, and other matters of record. Lessor warrants and represents that it has full authority to execute the Lease and grant the leasehold set forth herein.

**ARTICLE X
GENERAL PROTECTIVE PROVISIONS**

No Waiver

10.01 No waiver by the parties of any default or breach of any covenants, conditions, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation hereof.

Unlawful Use Clause

10.02 Lessee and Lessor agree not to use the Plant Site or any structure placed upon said premises or any part thereof, for any use or purpose in violation of any valid and applicable law, regulation or ordinance of the United States, the State of Texas, or other lawful authority having jurisdiction over the Plant Site.

Hazard and Property Insurance

10.03 Lessee shall keep the Plant Site and all buildings and improvements now or hereafter built or placed thereon insured against all hazards in such insurance companies licensed and authorized to do business in Texas, in amounts not less than the full replacement value of all the buildings and improvements situated or later to become situated upon the Plant Site. Lessee shall also comply with the additional insurance requirements under the Wastewater Agreement.

Liability Insurance

10.04 Following installation of the Plant, Lessee shall maintain liability insurance on the Plant Site up to the limits of Lessee's liability under the Texas Tort Claims Act. Lessee shall also comply with the additional insurance requirements under the Wastewater Agreement.

Parties Bound

10.05 This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Texas Law to Apply

10.06 This Lease shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performed in Hays County, Texas.

Legal Construction

10.07 In case any one or more of the provisions contained in this Lease 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 thereof and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Amendment

10.08 No amendment, modification, or alternation of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by Lessee and Lessor.

Rights and Remedies Cumulative

10.09 The rights and remedies provided by this Lease are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

Attorney's Fees

10.10 In the event that an action is brought by any party to this Lease to protect or enforce its rights hereunder, then the non-prevailing party shall pay the reasonable attorney's fees of the prevailing party in addition to any other relief obtained.

Counterparts; Electronic Signatures

10.11 This Lease may be executed in one or more counterparts, each of which shall be deemed an original, and all of the counterparts together shall constitute one and the same instrument. The parties intend that signatures electronically transmitted constitute original signatures, and that an electronically transmitted copy of this Lease containing the signatures of all the parties, whether in a single document or counterparts of the same document, is binding upon the parties.

Notices

10.12 Any and all notices and demands by or from Lessor to Lessee, or by or from Lessee to Lessor, required or desired to be given hereunder shall be in writing and shall be validly given or made if served either personally, by overnight courier or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand be served by registered or certified mail in the manner provided, service shall be conclusively deemed given five (5) days after mailing or upon receipt, whichever is sooner. Any party hereto may change its address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the other party hereto, which notice of change of address, shall not become effective, however, until the actual receipt thereof by the other party.

To Lessor: Double L Development, LLC
1600 West Loop South, Suite 2600
Houston, Texas 77027
Attn: David Cannon
Phone: (713) 623-2466
Email: dcannon@trenddevelopment.com

with copies to: Rice & Associates, P.C.
5615 Kirby Drive Suite 810
Houston, Texas 77005
Attn: Robin A. Rice
Phone: (713) 655-9090
Email: rarice@rice-law.com

To Lessee: City of Dripping Springs
Attn: City Administrator
P.O. Box 384
Dripping Springs, TX 78620

with copies to: City of Dripping Springs
Attn: City Attorney
P.O. Box 384
Dripping Springs, TX 78620

Entry by Lessor

10.13 Lessor hereby reserves the right for Lessor, its successors and assigns, and their agents, representatives and contractors, to enter upon and have access to the Plant Site to inspect the Plant Site, to fulfill obligations under the Wastewater Agreement as may be necessary, requisite, convenient or appropriate in order to install, construct, expand, or modify facilities located on the Plant Site, including the Plant, and for any reason Lessor deems reasonably necessary in connection with this Lease.

**ARTICLE XI
Easement**

Lessor and Lessee acknowledge and agree that a buffer zone around the Plant and an effluent pond is required for the Plant. The parties, therefore, agree to enter into an easement of the appropriate width for the design of the Plant with terms restricting the use of the easement area as a buffer zone and effluent pond to the extent required to comply with any applicable laws and regulations. The terms of the easement will provide that the easement will terminate in the event this Lease expires or is terminated and/or if the Plant Site ceases to be used as a reclaimed water production facility as permitted by the terms of this Lease. Further, if Lessee assigns this Lease, to the extent such assignment is permitted, then the rights to use the easement will also be assigned to the assignee by Lessee.

[Remainder of this page intentionally left blank]

THIS GROUND LEASE has been executed by the parties on this _____ day of _____, 2022, effective the date and year first above written.

LESSOR

DOUBLE L DEVELOPMENT, 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 _____, 2022, by _____, Manager of Double L Development, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public in and for the State of Texas

(NOTARY SEAL)

LESSEE

CITY OF DRIPPING SPRINGS

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2022,
by _____ of _____ on
behalf of said City.

Notary Public in and for the State of Texas

(NOTARY SEAL)

SCHEDULE OF EXHIBITS

Exhibit A – Description of Plant Site

LEGAL DESCRIPTION

FIELD NOTES FOR A 2.026 ACRE TRACT OF LAND OUT OF THE ANTHONY G. DAVY SURVEY NO. 38, ABSTRACT NO. 148, HAYS COUNTY, TEXAS; BEING A PORTION OF A CALLED 1,240.674 ACRE TRACT OF LAND AS CONVEYED TO LL RANCH INVESTMENTS, LP BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 19035342 OF THE RECORDS OF HAYS COUNTY, TEXAS; SAID 2.026 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING for POINT OF REFERENCE at a TxDOT Type I Monument found on the east right-of-way line of Ranch Road 12 (100' wide right-of-way), being on the west line of the above described LL Ranch Investments 1,240.674 acre tract; Thence, departing the east right-of-way line of said Ranch Road 12, over and across said LL Ranch Investments remainder tract, S 85°08'26" E a distance of 713.77 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for the southeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 59°47'30" W a distance of 61.67 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 5°16'26" E a distance of 278.32 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 13°55'57" W a distance of 26.54 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 44°03'45" W a distance of 30.26 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 81°55'14" W a distance of 121.19 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 36°12'20" W a distance of 19.27 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 4°44'12" E a distance of 126.28 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 39°57'11" W a distance of 28.47 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 71°36'09" W a distance of 28.76 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 85°13'44" W a distance of 51.49 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 56°19'46" E a distance of 68.26 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 65°27'56" E a distance of 48.78 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, N 88°21'22" E a distance of 43.68 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 84°37'59" E a distance of 53.92 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 79°46'34" E a distance of 71.69 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 75°57'58" E a distance of 67.26 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 81°13'52" E a distance of 45.78 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 68°11'15" E a distance of 42.96 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for the north east corner of the herein described tract, from which a TxDOT Type I Monument found on the east right-of-way-line of said Ranch Road 12 bears N 11°46'54" E a distance of 1,384.25 feet;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 24°40'27" W a distance of 134.05 feet to a calculated angle point;

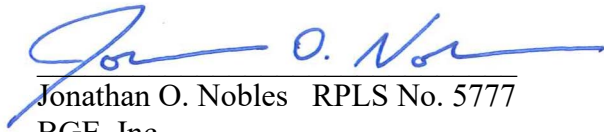
THENCE, continuing over and across said LL Ranch Investments remainder tract, S 21°27'25" W a distance of 163.96 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 10°47'57" W a distance of 78.26 feet to a calculated angle point;

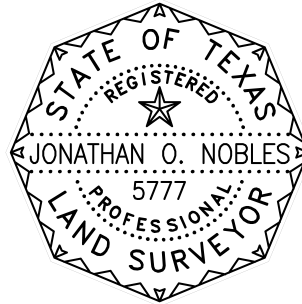
THENCE, continuing over and across said LL Ranch Investments remainder tract, S 7°00'39" W a distance of 110.66 feet to a calculated angle point;

THENCE, continuing over and across said LL Ranch Investments remainder tract, S 1°39'22" W a distance of 81.97 feet to the **POINT OF BEGINNING** and containing 2.026 acres of land, more or less

I hereby certify that these notes were prepared by BGE from a survey made on the ground on September 10, 2018 under my supervision and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, South Central Zone, NAD 83.



Jonathan O. Nobles RPLS No. 5777
BGE, Inc.
101 West Louis Henna Blvd., Suite 400
Austin, Texas 78728
Telephone: (512) 879-0400
TBPELS Licensed Surveying Firm No. 10106502

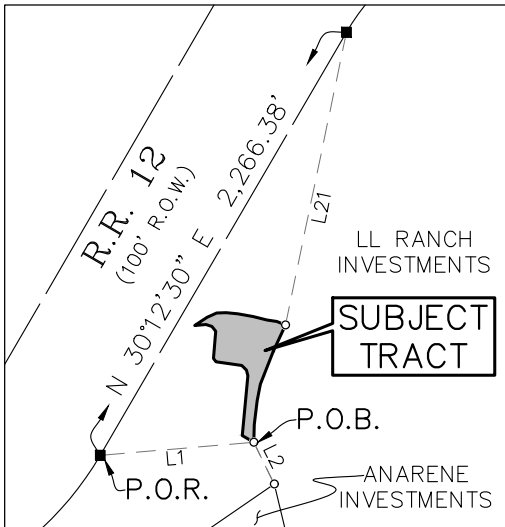


9/19/2022

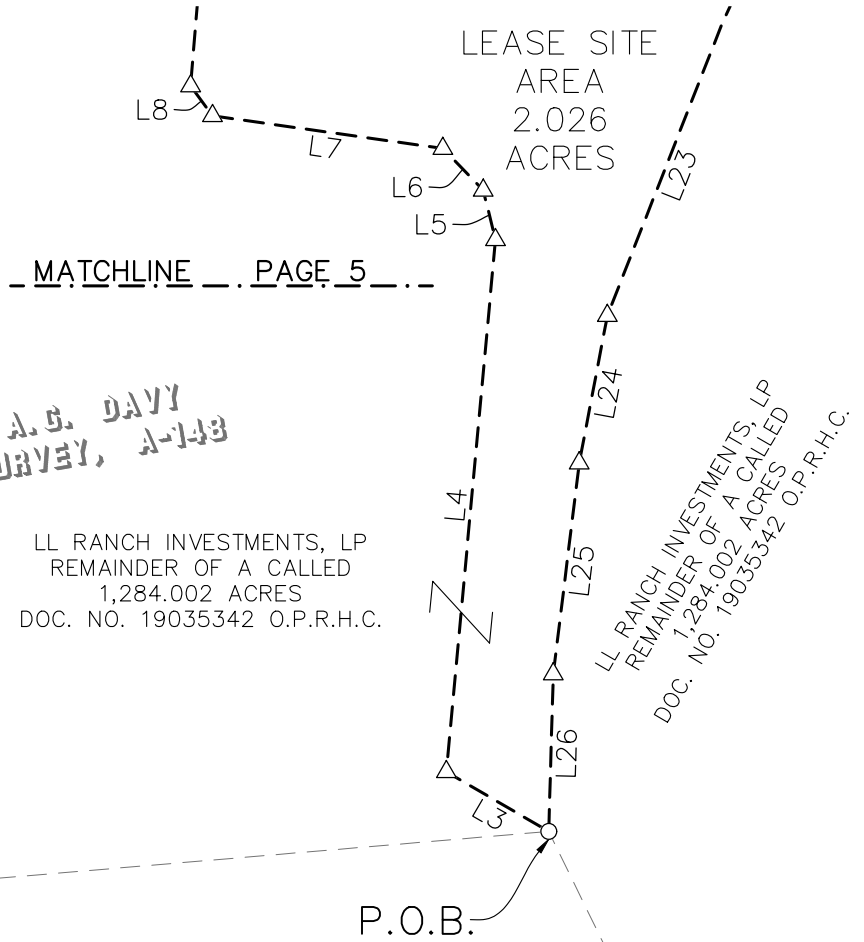
Date

Date: September 19, 2022
Project No.: 5955-00

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION



LOCATION DETAIL
NOT TO SCALE

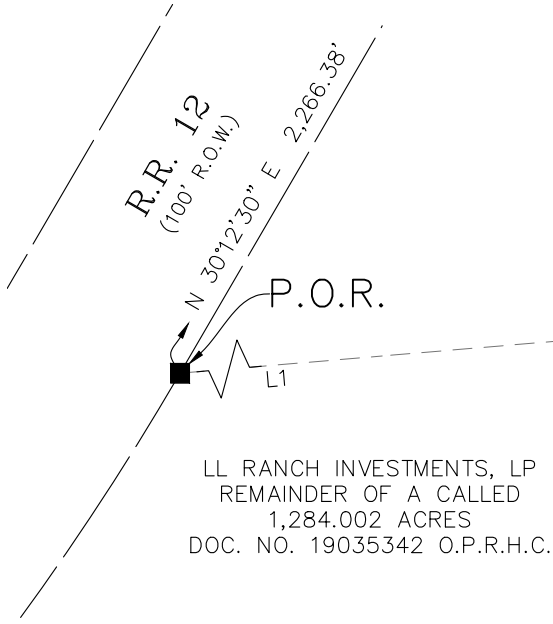


**A.G. DAVY
SURVEY, A-143**

LL RANCH INVESTMENTS, LP
REMAINDER OF A CALLED
1,284.002 ACRES
DOC. NO. 19035342 O.P.R.H.C.

LL RANCH INVESTMENTS, LP
REMAINDER OF A CALLED
1,284.002 ACRES
DOC. NO. 19035342 O.P.R.H.C.

ANARENE INVESTMENTS, LTD.
CALLED 43.328 ACRES
VOL. 2639, PG. 410
O.P.R.H.C.



LL RANCH INVESTMENTS, LP
REMAINDER OF A CALLED
1,284.002 ACRES
DOC. NO. 19035342 O.P.R.H.C.



BGE, Inc.
101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
Tel: 512-879-0400 • www.bgeinc.com
TBPELS Licensed Surveying Firm No. 10106502

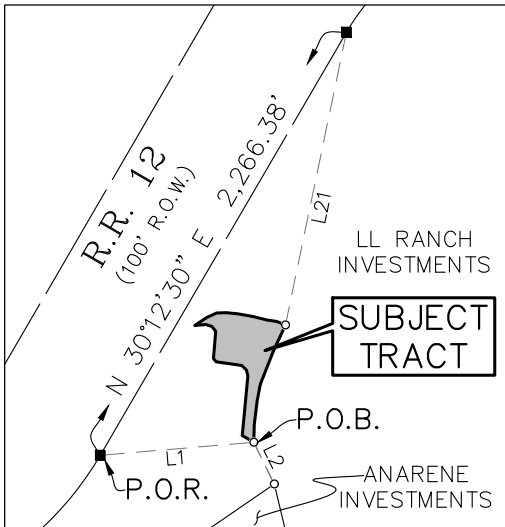
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SHEET 4

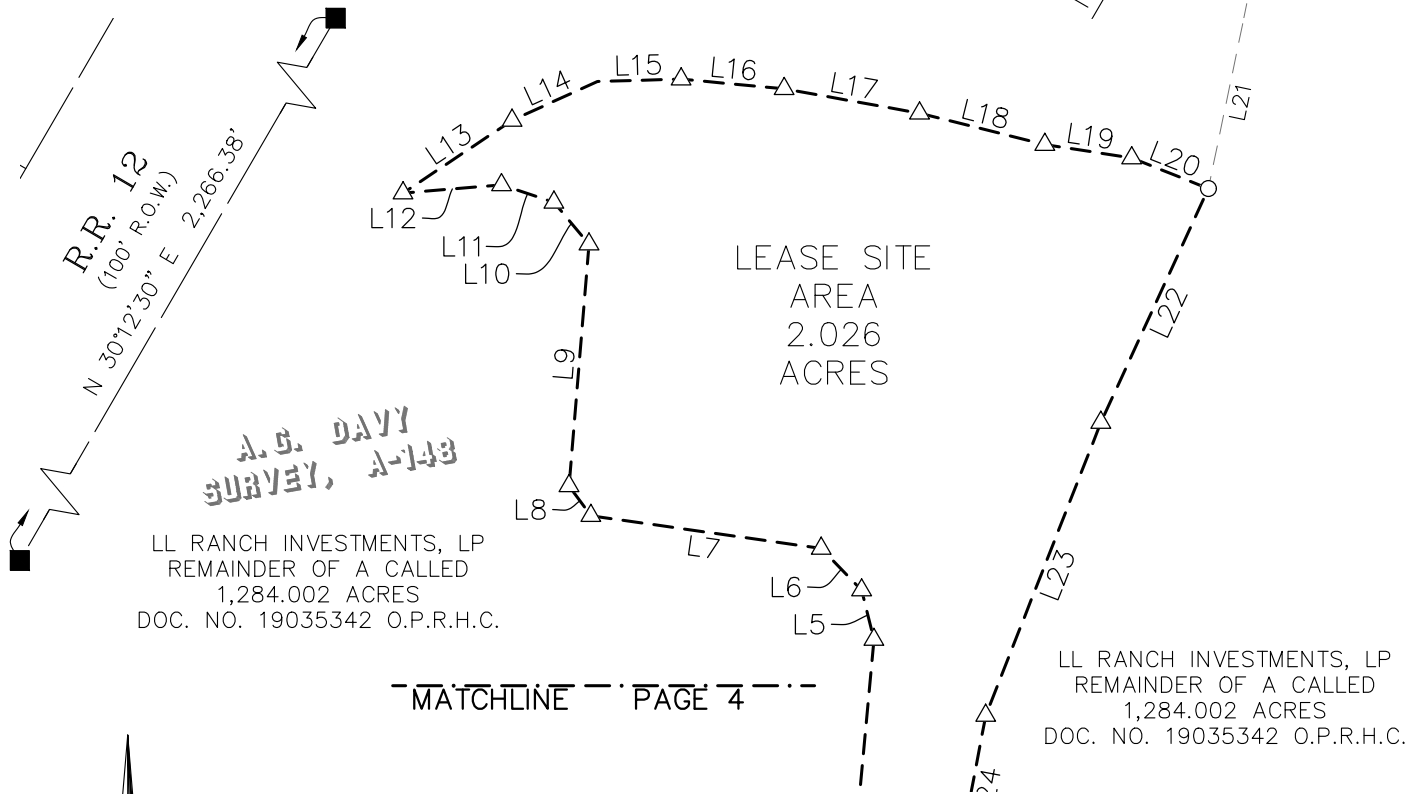
OF 6

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EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION



LOCATION DETAIL
NOT TO SCALE



LEASE SITE
AREA
2.026
ACRES

**A.G. DAVY
SURVEY, A-143**

LL RANCH INVESTMENTS, LP
REMAINDER OF A CALLED
1,284.002 ACRES
DOC. NO. 19035342 O.P.R.H.C.

LL RANCH INVESTMENTS, LP
REMAINDER OF A CALLED
1,284.002 ACRES
DOC. NO. 19035342 O.P.R.H.C.

---MATCHLINE--- PAGE 4 ---



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SCALE: 1"=100'

SHEET **5**

OF 6

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EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	N 85°08'26" E	713.77'
L2	S 26°02'13" E	215.36'
L3	N 59°47'30" W	61.67'
L4	N 05°16'26" E	278.32'
L5	N 13°55'57" W	26.54'
L6	N 44°03'45" W	30.26'
L7	N 81°55'14" W	121.19'
L8	N 36°12'20" W	19.27'
L9	N 04°44'12" E	126.28'
L10	N 39°57'11" W	28.47'
L11	N 71°36'09" W	28.76'
L12	S 85°13'44" W	51.49'
L13	N 56°19'46" E	68.26'
L14	N 65°27'56" E	48.78'
L15	N 88°21'22" E	43.68'
L16	S 84°37'59" E	53.92'
L17	S 79°46'34" E	71.69'
L18	S 75°57'58" E	67.26'
L19	S 81°13'52" E	45.78'
L20	S 68°11'15" E	42.96'
L21	N 11°46'54" E	1,384.25'
L22	S 24°40'27" W	134.05'
L23	S 21°27'25" W	163.96'
L24	S 10°47'57" W	78.26'
L25	S 07°00'39" W	110.66'
L26	S 01°39'22" W	81.97'

LEGEND

DOC. DOCUMENT
 NO. NUMBER
 O.P.R.H.C. OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS
 PG. PAGE
 P.O.B. POINT OF BEGINNING
 P.O.R. POINT OF REFERENCE
 ■ FOUND TXDOT TYPE I MONUMENT
 ○ SET 1/2" IRON ROD WITH CAP STAMPED "BGE INC"
 △ CALCULATED POINT



BGE, Inc.
 101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
 Tel: 512-879-0400 • www.bgeinc.com
 TBPELS Licensed Surveying Firm No. 10106502

SCALE: 1"=100'

SHEET 6

OF 6